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NEWS SUMMARY

GENERAL

Syria ends Geneva hopes

There is now no hope for a resumption of the Geneva peace conference on the Middle East, senior Syrian officials said in Damascus yesterday.

With this sharp response, Syria countered the U.S. veto of the Arab-sponsored UN Security Council resolution recognising Palestinian rights. Efforts were already under way last night to find an alternative forum for new peace efforts.

In Washington, President Ford pleaded for such efforts when he began two days of talks with Mr. Yitzhak Rabin, Israeli Premier.

In Paris, M. Camille Chamoun, Lebanese Interior Minister, said Syria should withdraw all Palestinian troops from Lebanon it it really wanted to restore peace. Back and Page 6. Editorial Comment, Page 16.

Vorster troops 'defend Huambo'

Angola's Luanda Government, according to MPLA sources, remained convinced that South African forces were operating on the southern front in defence of the rival Unita capital of Huambo and the Benguela railway. Mr. Hilgard Muller, South African Foreign Minister, denied in Parliament that intervention had violated the principle of non-interference in the domestic affairs of other countries. Guerilla strikes across the Namibian border had necessitated intensified effort. Page 6

Spain likely to delay reforms

Spain's political future will be charted to-day when Senor Carlos Arias, Prime Minister, makes what is expected to be the most important Spanish political statement for 30 years. There were signs last night that the Government and King Juan Carlos are to delay reforms. Page 5

Home speaks up for Scotland

Lord Home, former Tory Prime Minister, went far beyond the cautious official Tory line in a Lords devolution debate last night and strongly supported a directly elected Scottish Assembly with some revenue raising powers. Page 8

Cod talks end

The Cod War talks between Mr. Harold Wilson and Mr. Geir Hallgrimsson, Prime Minister of Iceland, ended in London. Mr. Hallgrimsson has returned to report to his Cabinet in Reykjavik. Back Page

Tanker aground

Olympic Bravery, a new Onassis Group 275,000-ton tanker, was last night on the rocks at Ushant off the west coast of France. Back Page

Easy riders

Sue Horton, who has ridden more than 40 winners against men on the flat in Europe, is the first woman to be granted a National Hunt permit. Three other women obtained permits at yesterday's Jockey Club hearing. To-day's racing, Page 2

Briefly . . .

Kidnapped newspaper heiress Patricia Hearst, 21, went on trial for bank robbery in San Francisco yesterday.

Keele University students plan to stop work as part of their campaign for a free day nursery.

Explosion on a new Chilean submarine at Scott Lithgow shipyard, Greenock, injured seven men.

Driving test fee—£3.25 for the past six years—is to rise to more than £6 shortly.

Mrs. Alice Crowther, one of Britain's oldest women who has died aged 107, had been teetotal since she was 24.

BUSINESS

Gilts and equities ease a little

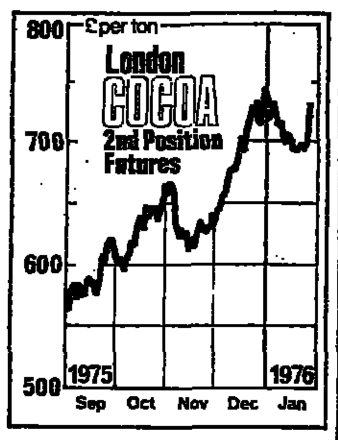
● EQUITIES turned easier in modest trading with the FT 30-share index closing 4.6 lower at 399.5. GILTS were dull and although shorts remained firm, the F.T. Government Securities index closed 0.22 off at 63.61.

● STERLING gained 10 points against the dollar to $2.0265, its depreciation unchanged at 30 per cent. The dollar's narrowed to 2.31 per cent. (2.36).

● GOLD gained $1 to $126½.

● WALL STREET closed 3.70 down at 957.81.

● COCOA and coffee prices rose sharply on the terminal market



with May cocoa gaining £27 to £730.25 a tonne and March coffee £28.5 to £844.

● FALLS in interest rates in the money markets make a further cut in Minimum Lending Rate by the Bank of England possible on Friday Back Page

● PUBLIC ACCOUNTS COMMITTEE is expected to inquire into the £85m. Government grant in 1974 to the Crown Agents. Back Page

● SHIPBUILDING industry new orders last year were the lowest yet recorded. In the construction industry, too, orders in November fell to their lowest for eight months, according to D of E figures. Page 6

● SAUDI ARABIAN takeover of Aramco oil company is "imminent," according to the Saudi petroleum ministry.

● POTATO stocks on U.K. farms are down to 675,000 tons, according to the Potato Marketing Board, and home-grown potatoes could be used up by the end of April. Page 25

● PRICE COMMISSION has called for an inquiry into the widely differing profit levels within the coal trade. Page 6

● SPANISH finance ministry has denied reports that the peseta is to be devalued.

● AIRFARE increases of about 10 per cent. are being sought by 12 airlines on British domestic routes. Page 7

● PAPER and board exports by Sweden fell by 30 per cent. last year from 4m. tonnes to 2.9m. tonnes. Page 4

LABOUR

● BRITISH GAS Corporation is insisting on exclusions to a closed shop agreement with white-collar staff within the gas industry to avoid a revolt among non-union employees and to ensure emergency cover in case of a strike. Page 8

● COWLEY engine tuners have won their 16-month fight for re-classification as skilled workers. Page 8

COMPANIES

● REED INTERNATIONAL third quarter profits fell from £22.4m. to £9m. bringing the nine months total down by £40.2m. to £26.8m. Page 19 and Lex

● DAVY INTERNATIONAL forecasts profits for the year ending March 31, 1976 higher than the previous year's £5.96m. Page 19 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treasury 3pc 1979	£86¼	+ ¼
Allied Retailers	134	+ 7
Armstrong Equipmnt.	69	+ 4
Baird (W.)	106	+ 4
Cavenham	132	+ 4
Charterhouse Group	55	+ 6
Concrete	61	+ 6
Furness Withy	215	+ 5
Haden Carrier	115	+ 4½
Hall (Matthew)	122	+ 4
Hambros	220	+ 10
Hambros Inv. Tst. "A"	76	+ 5
Lampa Secs.	127	+ 6
Lex Service	27½	+ 2
Macarthys Pharm.	93	+ 8
Ozalid	134	+ 7
Sandhurst Mktg.	36	+ 6
Sidlaw Inds.	70	+ 6
Utd. Newspapers	255	+ 11
WGI	63	+ 3½
Youghal Carpets	80	+ 5

FALLS

Treasury 13pc 1990	£98⅜	− ⅜
Assed. Dairies	226	− 4
Beecham	343	− 10
Chloride	103	− 5
Decca "A"	260	− 8
Hawker Siddeley	398	− 4
Metal Box	279	− 7
Philips' Lamp	993	− 20
Rank Org. "A"	160	− 8
Tate and Lyle	288	− 4
BP	583	− 5
Woodside-Burmah	134	− 5
Bougainville	108	− 8
Charter Cons.	158	− 7
Cons. Murchison	880	− 20
Poseidon	170	− 10
Pot. Plat.	160	− 8
RTZ	190	− 4
Selection Tst.	585	− 20

'Counterweight' to Soviet Union

Pentagon steps up U.S. arms spending for next decade

BY JUREK MARTIN, U.S. Editor, Washington, Jan. 27

Declaring that the U.S. has no choice for the foreseeable future but to serve as the counterweight to the Soviet Union, Mr. Donald Rumsfeld, American Defence Secretary, to-day outlined military spending plans for the next fiscal year and for the decade ahead.

Mr. Rumsfeld, adhering closely to the lines laid down by his predecessor, Dr. James Schlesinger, disclosed plans to build a new intercontinental ballistic missile system, an unspecified number of missile-carrying Trident submarines, and more than 100 new warships.

He also outlined plans for an intensive effort to replenish U.S. strategic reserve stocks depleted by the 1973 Middle East War.

In comments accompanying the statement, Mr. Rumsfeld, a former Ambassador to NATO, said: "The acquisition of a large and diversified nuclear capability by the U.S.S.R. has had especially profound and negative aspects on U.S. security."

The plans were contained in the Pentagon's "posture statement," the annual exercise which immediately follows the presentation of the national Budget.

President Ford has already disclosed a $7.8bn. increase in the military budget for fiscal 1977 and has indicated that the Pentagon's share on national expenditure would rise from about the one-quarter it now commands to about 28 per cent. by 1980.

While Mr. Rumsfeld suggested that the likely Russian tactics in the future would continue to be to relax tension with the U.S., he warned that Moscow would still look for areas of American weakness.

Thus, it was critical for the U.S. to maintain two areas of strength and stability—Western Europe and North-east Asia.

In Europe, the posture statement reported, the U.S. had only 32 per cent. of its required stockpile of tanks, 41 per cent. of the necessary armoured troop carriers, 50 per cent. of its artillery needs and 64 per cent. of radios.

Missiles

All this was arrayed against East European forces which, in terms of hardware, were far more extensively equipped.

The Pentagon calculates that it will have to spend $2.2bn. in fiscal 1977 and a similar amount for each of the next five to eight years to bring its reserve material up to the desirable levels.

On the new weapons programmes, the Pentagon said the present SALT agreement with the Soviet Union had been taken into account but acknowledged that a new SALT understanding could have some impact on the future.

At present, however, the intention is to build an undetermined number of Trident submarines, on top of the 10 whose construction has already been announced.

Cost estimates are between $15-20bn. over the next 10 years, which implies a further 10 to 12 submarines, including missiles.

The five-year shipbuilding programme would include two new aircraft carriers, GRP guided-missile frigate escort ships, two nuclear-powered missile cruisers, 11 new nuclear-attack submarines, and eight gas-turbine missile cruisers to serve as carrier fleet defence.

The statement also says the U.S. may start to construct in 1978 a new land-based missile system, which could cost as much as $30bn. over a ten-year period, if authorisation is given to replace the Minuteman network.

The Pentagon has felt for some time that improved Soviet missile capability has rendered the Minuteman increasingly vulnerable.

The Pentagon had originally hoped to be able to spend $108bn. next fiscal year, though this was pruned in the budget to $100.1bn.

However, Congress is unlikely to permit the proposed spending to go through unscathed, since, under President Ford's austere budgetary limitations, it is defence which appears to have gained while domestic social programmes have suffered.

Manpower Commission wants another £90m.

BY JOHN ELLIOTT, LABOUR EDITOR

A CALL for the Government to pledge £90m. over the coming year to create apprenticeships and jobs for some 60,000 young people was issued yesterday by the Manpower Services Commission, which wants the money to be contained in the Government's next package of unemployment measures.

This £90m.—averaging out at £1,500 per person—would be on top of an extra £126m. already provided by the Government for special MSC measures in recent months and would bring the MSC's total expenditure this year to £380m.

The proposals were drawn up yesterday at an extended monthly meeting of the MSC's governing Board, comprising representatives of the TUC, CBI and other interests. They mark the Commission's bid to ensure that job creation and training take up a significant slice of the measures now being drawn up by the Government.

This follows Mr. Denis Healey, Chancellor of the Exchequer, and other Ministers agreeing with TUC leaders at a meeting of the TUC-Labour Party Liaison Committee on Monday that fresh measures to alleviate unemployment would be introduced soon.

Sir Denis Barnes, chairman of the MSC, showed his impatience with the Government over its slowness in the past at introducing MSC ideas, when he said last night that the Commission had been "irritated" over such delays last year. He added that he would be "very angry" if Ministers now suggested that the MSC itself was responsible for the level of unemployment.

"The problems of unemployment are awful, but to some extent are self created" said Sir Denis.

Clive Jenkins forecasts 1.7m. jobless Page 8
Society Today, Page 17

This was because unemployment had partly been caused by the domestic policies of both the present and the last Government on inflation.

"This was true of the Heath Government from 1972 onwards and was added to by this Government from 1974," said Sir Denis, who retires in the spring.

"It is extremely unlikely that the employment position will look much better by the autumn —and it might look worse," added Sir Denis. He was commenting on figures which showed that whereas 92 per cent. of the MSC's "skill centre" trainees were being placed in jobs by the end of their courses last year, this figure had now slumped to 80 per cent.

The £90m. demanded yesterday by the MSC will be spelt out today in a letter to Mr. Michael Foot, Secretary for Employment. It includes £55m. for use from August to create and preserve 35,000 training places for apprentices in industry, £30m. to provide for 22,000 to 23,000 extra job creation vacancies this year, and £5m. to speed up the modernisation of the Employment Services Agency, which runs employment exchanges.

The £30m. for job creation would be in addition to £40m. which has already been promised by the Government and which is expected to have been allocated to creation schemes providing 30,000 jobs by July. The scheme was introduced last October and up to now has created 7,339 jobs costing almost £8m.

As part of a review of its special unemployment work so far, the MSC also reported yesterday that the number of extra school-leavers put into its training schemes should soon reach 23,000, while its training opportunities scheme (TOPS) for retraining unskilled adults just exceeded its 60,000 target for 1975 and an 80,000 target had been set for 1976.

5% price rise deal is agreed

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

MRS. SHIRLEY WILLIAMS, Secretary of Prices, finally told the House of Commons yesterday that she had got industry's agreement to hold price rises to 5 per cent. for the six months starting February 1 on a range of goods accounting for between 15 to 20 per cent. of consumer expenditure.

Representative trade associations of manufacturers and retailers, she said, had agreed to the scheme in the "national interest," despite the fact that some of the pre-conditions to participation, laid down in the summer, had not been met.

She described the scheme as a "useful step in our progress towards overcoming inflation." Britain, she said, was already on course for the target of bringing the rate of price increases down to single figures by the end of the year.

The list of products included in the package—which is known to include tobacco products, beer, some foods and clothing as well as a wide range of household items—will not be released officially until nearer February 16 when the scheme comes into effect in the shops.

Answering a question from Mrs. Sally Oppenheim, Conservative spokesman on prices, Mrs. Williams said she was hoping some nationalised industries would contribute to the scheme, though she made it clear that this would be only done if it did not interfere with the Government's strategy of reducing the deficits of the state-owned corporations.

The most likely contributor from the public sector would seem to be the Gas Corporation, which is not planning another round of general increases before the summer.

Mrs. Williams said that the scheme was aimed at bringing forward the benefits of the lower rate of inflation now expected as a result of the success of wage restraint.

She said that although the undertakings given by U.K. manufacturers obviously only related to British-made goods, some importers had indicated that—while they could not give definite assurances—they did not expect prices to move significantly out of line with those of home-produced items on the list.

She also said that retailers dealing in fresh foods had agreed to recommend keeping margins down on at least one item in three main categories—meat, one other protein, fruit and vegetables.

Parliament Page 8

For latest Share Index phone 01-246 8026

Methven is new chief of CBI

BY ADRIAN HAMILTON

MR. John Methven, Director-General of Fair Trading since 1973, is to be the next director-general of the Confederation of British Industry.

Mr. Methven, previously deputy chairman of ICI's Mond division, will replace Sir Campbell Adamson who will leave the post — which he has held for seven years — in mid to late June.

The terms of Mr. Methven's appointment have not yet been disclosed. His salary is likely to be more than £25,000 a year, compared with £16,000 in his present post.

The CBI has clearly avoided calls from some members to appoint a hard-line opponent of Government intervention in industry, preferring instead a supporter of the mixed economy with well-established experience in Government.

Mr. Methven believes that industry should co-operate more with Government and should play a more responsible role in making national policy.

He has gained a reputation in his present job both as a skilled proponent of voluntary negotiation to ensure trading standards and as a supporter of the consumer.

Discreet

He is going to the CBI at a time when the appointment of a new president, Lord Watkinson, and the recommendations of a three-man inquiry into aims and organisation all point to a strengthening of the CBI's role as a participant in Government talks and a strengthening of the role of the president as the central formulator of policy.

Born in Southampton in 1926, Mr. Methven is a lawyer by training.

He joined ICI in 1957 and rose to deputy chairman of the Mond division. He was appointed a part-time member of the Monopolies Commission in 1972 and Director General of Fair Trading in 1973.

He said yesterday that he saw his main job as representing trade and industry against the claims of other sectors and throughout Government policy making and stressing the importance of the market economy.

Sir Campbell Adamson said that he would take a three-month holiday.

The friendly persuader Page 21

£ in New York

—	Jan. 27	Previous
Spot	$2.0230-0300	$2.0260-0266
1 month	0.82-0.77 dis	0.86-0.80 dis
3 months	2.67-2.62 dis	2.67-2.57 dis
12 months	8.25-8.15 dis	8.15-8.05 dis

EEC lends £85m. to U.K. steel industry

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

THREE low-interest loans totalling £85m. for the U.K. steel industry have been approved by the Commission of the European Communities.

Two British Steel Corporation projects benefit, with £35m. approved for the Hunterston, Scotland, ore- and coal-importing terminal and another £30m. for the modernisation of the BSC's stainless steel plant at Shepcote Lane, Sheffield.

The remaining £20m. will help finance the Guest Keen and Nettlefolds' steel complex in Cardiff.

News of the loan for GKN delighted employees at the neighbouring East Moors steelworks due for closure by the BSC in 1981. Many steelworkers believe that the East Moors works will still be needed to service the new GKN rod mill which will be completed by next April.

Welcomed

"The new mill will need 600,000 tonnes of 50-foot billets a year. The GKN mill will be able to produce only 400,000 tonnes. Surely the remainder must come from East Moors," said Mr. Bill Torbutt, vice-chairman of the East Moors works' action committee, last night.

"This new development is the best hope we have of keeping the works open."

Two years ago the cost of the GKN project was put at £30m., but this has now risen to £51.8m. The Community loan makes up much of the difference.

In Sheffield, the £30m. loan was welcomed as further proof that the recession in demand for steel and the BSC's current financial plight would not slow down the city's biggest development.

The Shepcote Lane cold rolling mill forms part of a £100m. BSC plan to double production facilities for stainless steel flat products in Sheffield. The corporation hopes this will allow it to win back substantial home market orders now going to overseas producers.

The £35m. loan for the Hunterston terminal is believed to be the largest single loan given to any EEC member country by the Community.

It will be complementary to the £14.8m. loan already negotiated towards the cost of expanding the BSC's Ravenscraig steelworks in Lanarkshire, which will be served by the new terminal.

As on the GKN scheme, there has been a steep rise in the estimated costs of the Hunterston project, inflation and design changes pushing the price up from £26m. to £80m.

The latest loans to the BSC takes its total borrowings from the Community to £199.5m. The EEC has lent another £116.5m. to the private sector of the steel industry and the U.K. coal industry.

The corporation has also had loans totalling £67m. from the European Investment Bank.

More jobs

Both Community and EIB loans are aimed particularly at projects which will provide more jobs in depressed areas. The Commission pointed out yesterday that Hunterston, when fully developed, will provide about 200 jobs; the Sheffield scheme approximately 300 new jobs, and the GKN project about 500 jobs in Cardiff.

The attraction of this European money to the BSC is its comparative cheapness. Interest rates on loans from the Community are about 9 per cent., while the EIB has been charging 9.5 per cent.

Cuts in Scotland

BY CHRIS BAUR, SCOTTISH CORRESPONDENT

THE British Steel Corporation wants to reduce its labour force in Scotland by at least 1,500 in the next three months and by a further 3,000 or more over the coming two years under its plan for labour economies agreed with the trade unions last Friday.

This information was received by senior union officials in Scotland yesterday and similar details will be given to the unions for plants in England and Wales within a week.

Previously, the BSC only said it wanted to shed about 40,000 people over two years, without giving details.

Mr. Jake Stewart, BSC's divisional manager-designate for Scotland, said that the 1,500 redundancies—a tenth of the manpower in the Scottish sections of the general and strip mills division—would be sought in works with high-cost open furnaces at Clydebridge, Dalzell, Lanarkshire, Clyde Iron and Glengarnock.

The first four of these are also to hear the brunt of the longer-term manpower cuts.

Union opposition to the cuts seems likely to be muted. Mr. Arthur Bell, Scottish organiser of the Iron and Steel Trades Confederation, said applications for voluntary redundancy might exceed the number needed.

LOMBARD

The big flaw in economic policy

BY C. GORDON TETHER

WHEN the Chancellor of the Exchequer was asked whether the relaxation of hire purchase restraints and the other minor measures for boosting demand unveiled a short time back wouldn't run the risk of weakening the attack on inflation, he replied that they would actually have the opposite effect. The resulting increase in the size of the market for consumer goods would, he explained, both give a lift to the Government's tax receipts and cut down its outgoings in respect of unemployment pay, thereby exerting a downward pressure on one of the main inflation generators—the Budget deficit.

The logic is, of course, unassailable—given the fact that the economic slow-down has now reached the point at which there is a great deal of under-utilised capacity in almost every direction you look, and no question, therefore, of an expansion in spending power creating an excess of demand over supply. But since it is so unassailable, why is it being applied in such grudging fashion?

Better chance

Mr. Norman Atkinson, MP, the Labour Party's outspoken critic of the present official line, got to the heart of the matter when he asserted earlier this week that there was nothing to stop the Government introducing policies that would not interfere with the reduction in the rate of inflation but would ensure that the rise in the level of unemployment was curbed. Indeed, it can be cogently argued that there will be a better chance from now on of keeping the disinflationary crusade on course if the direction of economic policy is radically changed.

One reason for this I have already touched upon—the considerable upward pressure the slow-down is exerting on our enormous Budget gap by curtailing revenue and setting outgoings on unemployment pay rising by leaps and bounds. But a potentially even more important one is to be found in the serious damage the prolongation of the recession is likely to do in the incomes policy sense.

One of the main arguments employed to induce the trade unions and the country at large to co-operate in enforcing the £6-a-week limit on pay increases was that, in the absence of such collaboration, the Government would have to impose rigorous restraints on economic activity to tackle inflation—with unhappy consequences for the level of unemployment. It is, therefore, inevitable that any tendency for the number of workless to go on rising will be widely interpreted to mean that the sacrifices called for by compliance with the pay policy have been made in vain.

Nothing will make it more difficult for the Government to get the very necessary backing of the trade unions in particular and the country in general for the continuance of controls on incomes beyond the end of the present programme in mid-year. And there can be little doubt that, without that, the whole of the progress in getting inflation down to manageable levels achieved during the past year could be instantly put in jeopardy.

In this connection, it has to be recognised that the rationale of an official policy that insists on materially eroding the real value of people's incomes at a time when hundreds of thousands of people are being put out of work by a national lack of spending power is apt—not surprisingly—to escape the general public. Which means that people will see a continued official determination to pursue such an approach as misguided—if not as a "capitalist plot" of the kind that extremist critics of Whitehall's economic strategy have been darkly hinting at.

Since the inflation problem afflicting us at present stems primarily from wage excesses, it is clearly of paramount importance that the main instrument we are depending upon to cure it—incomes policy—is not blunted by the Government's handling of other aspects of economic policy. But, as it happens, it is becoming increasingly apparent that the balance of advantage on other counts now lies with taking firm action to set unemployment moving down.

Antidote

After all, as the most effective antidote to any type of inflation is to be found in increasing the supply of goods, a disinflationary policy that is keeping a substantial part of the country's manufacturing capacity idle cannot be anything but counter-productive in the longer-term sense. In view of our external payments position, it would obviously be all to the good if the world economic climate improved to a sufficient extent to ensure that re-expansion was export-led. But since no one can say how long we might have to wait for that, it would be absurd to suggest that it constitutes a decisive reason for delaying action to get unemployment down.

Finally, what hope can there be of the Government's long-term plan for restructuring the British economy getting under way until the immediate climate improves. The Prime Minister speaks airily of "returning to full employment by new investment." But is the business community going to be enthusiastic about new investment when its existing capacity is seriously under-employed? The recently published capital outlay estimates for 1976—a real terms drop of between a quarter and a fifth from early-1970's levels—provide an unequivocal answer to that question.

RACING — BY DOMINIC WIGAN

New chance for Meridian II

PROVIDED that there is no deterioration in conditions, to-day's Carlisle meeting seems sure to go ahead.

After making a course inspection at 3.30 p.m. yesterday, Kit Patterson, clerk of the course, said that racing would take place if there were no further heavy falls of snow or rain.

By far the most important event is the three-mile Cumberland Grand National Trial (2.00), in which the course specialist, Forest King, will try to give 9 lbs and 14 lbs to Pattered and Meridian II respectively.

I believe that it will pay backers to row in with that tough nine-year-old, *Meridian II*, who has travelled from Ken Oliver's Hawick establishment.

A comfortable winner of the Windermere Chase over this course and distance early in the season, Meridian II has been maintaining useful form and on his last appearance he did well to run Sparkle Again, whom he was meeting on level terms, to five lengths in Teesside's Hartlepool Chase.

Pattered, who was a well beaten fourth in that event, reappears on 11 lbs worse terms, and cannot be expected to reverse the placings.

Later in the afternoon I do not intend looking beyond *Go Bang* in the second division of the Naworth Novices Hurdle (3.30). Paddy Broderick's mount showed notable promise when finishing third behind the highly-rated Rolls Rambler at Weatherby eight days ago and he appealed as a sound bet.

CARLISLE
1.00—Golden Fort
1.30—Raise Your Hat
2.00—Meridian II**
2.30—Banacheck II
3.00—Lucius*
3.30—Go Bang***

Edward Cavendish and Sons, the sherry producing subsidiary of the South African Wine Farmers Association, is to sponsor a £10,000 race at Ascot on September 25.

To be called The Cavendish Cape Stakes, it will mark the recent launching of two Edward Cavendish sherries.

The Cavendish Cape Stakes, guaranteed for three years by its sponsors, will share top place as the richest handicap over seven furlongs for three-year-olds and above with Doncaster's Mark Lane Handicap.

With the Cagnes-sur-Mer flat racing season due to get under way on Sunday, several leading British stables are in the process of sending challengers to the south of France.

Spearheading the English riders is a 10-strong team from John Dunlop's Arundel stable. A year ago the late Duke of Norfolk's trainer landed seven races worth nearly £20,000 at Cagnes.

Other trainers likely to be represented are Doug Marks, Verly Bewicke, Duncan Keith and John Nelson.

One trainer who will have no runners at Cagnes this year is Captain Ryan Price. Two factors have influenced his decision—the almost perfect ground at Findon, which has enabled him to work horses, almost uninterrupted, throughout the winter, and the continued worry of the virus, "Miami," which is badly affecting some French stables.

SALEROOM — BY ANTONY THORNCROFT

Inflationary tick of old clocks

THE LONDON salerooms were very somnolent yesterday and hardly justified their self-proclaimed status as the centre of the international art market. Sotheby's held a minor auction of Oriental ceramics which totalled £23,645 (and a top price of £480 for a late Ming slip-decorated Swatow dish) while the second day of a book sale realised £22,430 for a two-day total of £59,289.

Books are a particularly strong market at the moment and there were some high prices. T. Thorpe, a London dealer, paid £1,100 for a copy of St. Augustine's "De Civitate Dei" produced at Venice in 1475. A first edition of Chippendale's "The Gentleman and Cabinet-maker's Director" of 1754 was bought by Hammond for £800 and Francis Edwards gave the same sum for another first edition, Hepplewhite's "Cabinet-maker and Upholsterer's Guide," published in 1788. All the prices beat their estimates.

The most impressive sales were at Phillips which continues to pick up business because it does not charge the 10 per cent. premium for buyers. It held a jewels sale which realised £70,215 and a furniture and clock sale which totalled £60,921. Clocks, in particular, did well, with most forecasts left behind.

A *grande sonnerie* carriage clock by Drocourt was bought by Matheson for £2,900 and another carriage clock by Webber, of Woolwich, went to Asprey for £2,400, against the £1,000 forecast. Among the long-case clocks an 18th century piece by T. Johannes van Coulen went to Daly for £2,100, and a late 17th century clock by Robert Nelson, of London, was acquired by Dorkings for £2,100.

The great demand for Victorian paintings was underlined at a Sotheby's Belgravia sale which brought in £19,900, with just over 2 per cent. of the lots unsold. Typical of the prices was the £650 paid for "Playing," a very conventional view of a mother and her child. It was attributed to R. Huntley, an artist unknown to Sotheby's and was expected to sell for £80-£120.

"A Fete Day in Venice" by Arthur Joseph Meadows was bought for £600 also above forecast, and a "View of the River Conway" by Robert Gallom fetched £480, within expectations. Out of London, Henry Spencer and Sons, of Retford held a house sale at 239 Graham Road, Sheffield, which made £8,600.

On April 13 Sotheby's is holding a sale at Scone Palace to coincide with the opening of this historic house for the season. This is the first time that an art auction has been held there and it will concentrate on Scottish paintings and silver.

The paintings date from 1830-1950 and include works by Alexander Nasmyth — his "View of Perth from Scone Park" — two paintings by E. A. Hornel: three by Arthur Melville, and some game bird paintings by Archibald Throburn and G. E. Lodge.

At Robson Lowe yesterday Persian stamps were the feature of an overseas sale, with plenty of Iranians present to boost the bidding. The total was £56,875 with a top price of £3,400.

Derbyshire tackles old mine menace

A WORKING party set up by Derbyshire County Council said yesterday that there could be as many as 100,000 old lead mine shafts dotted about North-west Derbyshire.

They estimated that to cap all these safely, even if they could all be discovered, would cost a minimum of £3.5m. They are therefore preparing a code of practice for dealing with old shafts for landowners, owners of mineral rights, local councils, leisure organisations and tourists.

Co-op Bank to expand in Scotland

THE CO-OPERATIVE Bank is planning to expand its business in Scotland substantially over the next few years.

The pace of growth will depend partly on the availability of sites suitable for branch development, but a start has already been made with a new office in Buchanan Street, central Glasgow, which opened for business in December.

Initial response from Glasgow business and the public has been "highly encouraging," said Mr. Lewis Lee, chief general manager, who was visiting Glasgow yesterday.

GARDENS TO-DAY

Growing from seed

BY ROBIN LANE FOX

RECENT letters from readers suggest that for once I may have identified a problem, if not a solution. I will admit that there have not been many signs of interest in my own expedient mentioned last week of bulldozing the garden and starting all over again with a new ground plan, though I must acknowledge the cautious ladies who have written to express their view that I was grossly overcharged for the job.

But there seem to be many gardeners whose gardens run nicely but boringly; they remain tidy and yield a good crop of runner beans, but they never fire their owners' imagination. When holidays are so expensive and motoring is no longer a cheap pleasure, these gardeners wish that their horticulture was an interest, not a necessity. Experiments with unfamiliar plants belong, so they say, to a later stage. If they are to begin to enjoy this business, they must find a point of contact which is cheap, quick and gratifying to their pride. There is no doubt that they must begin where I began; with packets of seeds.

Vegetables

Seedsmen's trade has grown so notably over the past few years because of the interest in vegetables. Now, either you are a vegetable gardener at heart or you are not. I am not and I will say no more about this invaluable art for the moment, only remarking that as an easy and essential minimum, I would insist on buying seed of spinach, purple sprouting, lettuce, broad beans, french beans and the dwarf runner beans which do not need to be staked. Among peas, I have come to prefer the mange-tout varieties and I note that Thompson and Morgan of London Road, Ipswich, are offering a new sort called Oregon Sugar Pod at 30p a packet. It is alleged to be tastier and taller than the Dwarf de Grace which I have enjoyed hitherto. Its season is later and it "can get much thicker and distinctly swollen and still be as good to eat and even in dry weather shows no tendency to become leather!" I wonder.

That last virtue is most appealing to those who suffered the ill-timed drought and lost the crop of Dwarf de Grace last year, but I cannot imagine how any pea-pod can really resist such conditions. The new Sugar Pod is classed, however, as a good variety for freezing, and this has not been a virtue of other mange-tout peas. At a height of three or four feet, it will have to be staked, but it is the new variety in the vegetable books which has most aroused my interest. Mange-tout, incidentally, means that you eat the whole pod as well as its contents, so you avoid the boring work of shelling your crop.

There is more fun, though to be had in the list of flower seeds. So seldom one sees an annual border nowadays grown entirely from seed yet this cheap, quick and colourful way of gardening first fired my interest in the business and led on to other aspects. It deserves a space to itself, so I will concentrate here on the section of the catalogue which many gardeners ignore: the perennial border plants which can be grown from seed.

Looking at a long-lived clump of tall Veronicas or Foxgloves which you have grown from what used to be called a sixpenny packet you are bound to feel proud of your achievement and to be closely involved in these children's future. But imagine your feelings if you had grown a clump of lilies from a packet: it is extremely simple to do so if you choose Lilium Regale, one of the most scented and most lovely lilies anyway, or Lilium Longiflorum, a splendid seed plant which will actually flower this autumn if you sow the seed in a box in mid-February and keep it in a warm room or a cold greenhouse until May. There is nothing difficult about these lily-seeds and once they have flowered you can build up your own crop. The Regale variety begins to flower in its second year and is quite unperturbed by time. Sow its seed each year, and from 1977 onwards you will have an increasing mass of bulbs which now cost up to 40p each. No garden is too small for this lovely plant.

Sure success

Or you could be sure of success with a tree. Thompson and Morgan still offer seed of the large-leaved Paulownia and the rapid Tree of Heaven, both of which will germinate profusely if started, preferably, in a warm place. Faced with 200 little Paulownias for 30p what do you do with them? Some, at least, can be grown on as shrubs and treated ruthlessly to very good effect. They will grow to a height of about four feet and as long as they have not died of cold in the winter they should be cut down to their base in spring and forced to sprout again. Their leaves, then, become like huge floppy green handkerchiefs and can be contrasted with the long pinnate foliage of the young Tree of Heaven, similarly pruned. The result is spectacular and as long as the Paulownia lasts the winter it will lift any sunny border out of the conventional weariness of late summer.

If you want your gardening to be fun, I recommend most strongly that you try this. If you like it, you can replace the Tree of Heaven with the Stag's Horn Sumach, now known too as the Bonfire Tree (Rhus Typhina). Here, the pinnate leaves, when pruned ferociously, are almost the equal of the Tree of Heaven's, but their orange autumn colour is amazingly bright. Again it will grow fairly easily from a 30p seed packet. Cut it back hard in spring, because it will become a big tree too quickly if you ignore it.

Sad fact

If leaves do not interest you, try any of the perennial Bellflowers, or Campanula. One of the saddest facts about flower-gardening, to my mind, is that the Canterbury Bell is only a biennial: you sow it this spring move it to its permanent home this autumn and enjoy it in 1977, whereupon it dies. Although I know a horticultural stockbroker who claims to grow only biennials from seed because they remind him that plants, like booms and crashes, move in two-year cycles, I have tended to prefer the perennial varieties, especially the "peach leaved" Harebell, Campanula Persicifolia. This will grow for any gardener, however ignorant or hard-pressed. You can put it among established borders, iris beds or paving stones and it will find a place for itself: it likes company and does not have demanding roots. Its stems are about two feet tall and in early summer they are set with charmingly open flowers of sky blue and white. A packet best sown in a seed-box so that the results can be controlled, will produce up to 200 plants and they will maintain themselves for ever. The flower stems look pretty when picked.

Mixed valerian (Kentranthus), Aquilegia, Foxgloves, evening Primrose (Oenothero) dark-leaved Fennel, trailing Gypsophila, perennial Sweet Pea and the lovely Venus's Fishing Rod (Dierama) best moved as a small seedling: these obliging bargains from lists of perennial seeds have grown far more than even the wildest and most fortunate gamble and gave me, as they ought to give you, an interest in gardening which became a way of life.

TV/Radio

† Indicates programmes in black and white

BBC 1

9.15 a.m. For Schools, Colleges. 10.45 You and Me. 11.00 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Teddy Edward. 1.50 The Mister Men. 2.01 For Schools, Colleges. 3.30 Day and Night. 3.58 Regional News (except London). 4.00 Play School. 4.25 Pixie and Dixie (cartoons). 4.30 Jackanory. 4.45 Screen Test. 5.05 John Craven's Newsround. 5.15 Kizzy.

5.45 News
6.00 Nationwide
6.50 Men of Action: "Flight to Tangier" starring Jack Palance
8.15 Dave Allen at Large
9.00 News
9.25 Sportsnight
10.15 Break-In
11.05 To-night
11.40-11.42 Weather/Regional News

All Regions as BBC-1 except at the following times:—

Wales—5.15-5.30 p.m. Llon a Llwyd. 5.30-5.35 Ffliwc. 5.35-5.45 The Clangers. 6.00-6.50 Wales To-day. 6.50-7.15 Heddiw. 7.15-7.45 Pobol y Cwm. 7.45-8.15 The Good Life. 11.40 News and Weather for Wales.

Scotland—10.23-10.43 a.m. and 2.40-3.00 p.m. For Schools. 6.00-6.50 Reporting Scotland. 11.40 Scottish News Summary.

Northern Ireland—10.23-10.43 a.m. For Schools: Ulster in Focus. 3.58-4.00 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. 11.05-11.35 Spotlight on what matters to people in Northern Ireland. 11.35 Northern Ireland News.

England—6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle), Midlands To-day (from Birmingham), Look East (from Norwich), Points West (from Bristol), South To-day (from Southampton), Spotlight South West (from Plymouth).

BBC 2

10.35 a.m. Nai Zindagi Naya Jeevan
11.00 Play School
7.05 p.m. Trade Union Studies
7.29 Weather
7.30 Newsday
8.00 The Fishing Race
8.25 Arena: Art and Design
9.00 Nana Mouskouri
9.45 Just a Nimmo
10.15 The Glittering Prizes
11.25 Newsnight
11.50-11.55 Closedown: David Markham reads 'Sunsets' by Alan Brownjohn

LONDON

9.30 a.m. Schools Programmes. 12.00 The Adventures of Rupert Bear. 12.10 p.m. Rainbow. 12.30 Mr. and Mrs. 1.00 First Report: News, FT index. 1.20 Lunchtime To-day. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Couples. 3.00 About Britain. 3.25 There Goes That Song Again. 3.55 General Hospital. 4.25 How. 4.50 The To-morrow People. 5.20 The Flintstones.

5.50 News from ITN
6.00 Today
6.35 Crossroads
7.00 This Is Your Life
7.30 Coronation Street
8.00 And Mother Makes Five
8.30 Oh No It's Selwyn Froggit
9.00 Life and Death of Penelope
10.00 Party Political Broadcast on behalf of the Labour Party
10.10 News
10.40 The Wednesday Special
11.35 Wrestling
12.05 a.m. What the Papers Say
12.15 Campaigners in Print

All ITV Regions as London except at the following times:—

ANGLIA

1.25 p.m. Anglia News. 2.00 Houseparty. 5.20 Hogan's Heroes. 6.00 About Anglia. 12.05 a.m. The Big Question.

ATV MIDLANDS

1.20 p.m. ATV Newsdesk. 5.20 ATV Today ! including Junior Police Five. 6.00 ATV Today II.

BORDER

12.30 p.m. Untamed World. †1.20 Border News. 5.20 Supersonic. 6.00 Border News and Lookaround. †12.05 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 5.20 Supersonic. 6.00 Channel News. 6.10 Today in the Guernsey States. 6.15 The Amazing Chan and the Chan Clan. 12.05 a.m. Epilogue followed by News and Weather in French.

GRAMPIAN

1.20 a.m. Grampian News Headlines. 5.20 Thrillseekers. 5.45 Police Newsroom. 6.00 Grampian Today. 12.05 a.m. Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. 5.15 Take Kerr. 5.20 Crossroads. 6.00 Granada Reports. 6.30 University Challenge. 11.35 What The Papers Say. 11.55 Wrestling.

HTV

12.30 p.m. Bygones. 1.20 Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.20 Daily Fable. 5.25 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 The English Vintage.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Rhifeddodau. 6.01-6.15 Y Dydd.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

1.25 p.m. Road and Weather Report. 2.00 Housecall. 5.20 Laceybuttonpoppers. 5.25 Crossroads. 6.00 Scotland Today. 6.30 Scotch Corner. 12.05 a.m. Late Call.

SOUTHERN

1.20 p.m. Southern News. 2.00 Houseparty. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day by Day. 12.05 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 2.00 Women Only. 5.20 Today Before Six. 6.00 Today at Six. 11.35 Chess Masterpieces. 11.45 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.25 Ulster News Headlines. 5.20 Out Of Town. 6.00 UTV Reports.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 Supersonic. 6.00 Westward Diary. 12.05 a.m. Westward Late News. 12.05 Faith For Life.

YORKSHIRE

12.30 p.m. Bygones. 1.20 Calendar News. 5.20 Calendar. 6.00 Calendar.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Paul Burnett, including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's DLT, OK! 5.45 Newsbeat. 6.02 Sam Costa (S) (joins Radio 2). 11.00 John Peel (S) (also on VHF). 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

RADIO 3 — 464m, Stereo & VHF

... 1.05 Concert Hall (S). 2.00 A Concert of English Music, part 1: Elgar, Gordon Crosse (S). 2.55 Interval Reading. 3.05 Concert part 2: Walton. 3.50 Cello and Piano Recital (S). 5.00 Choral Evensong. 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: Language and Communication. 7.30 Smetana and Martinu concert (S). ...

RADIO 4 — 434m, 330m, 285m and VHF

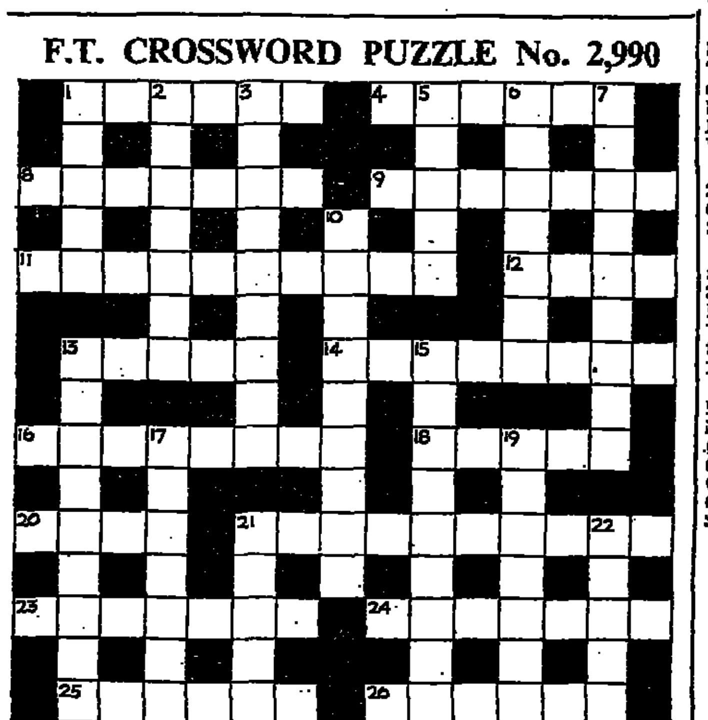
... Afternoon Theatre. 4.00 News. 4.05 A Policeman's Lot. 4.35 Story Time. 5.00 PM Reports. 5.50 Financial Report VHF Regional News. 5.55 Weather; programme news. 6.00 News. 6.15 Oh, Get On With It. 6.45 The Archers. 7.00 News Desk. 7.30 It's Your Line. 8.30 Pathan Hostage by Mary-Jean Hasler. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. ...

BBC Radio London — 206m and 94.9 VHF

London Broadcasting — 261m and 97.3 VHF

Capital Radio — 194m and 95.8 VHF

F.T. CROSSWORD PUZZLE No. 2,990



ACROSS

1 Rotten place to free (6)
4 Ran away though securely fastened (6)
8 Part of opening day for grousers (7)
9 Looking shamefaced at engine trouble (7)
11 When things are difficult for a magistrate (6, 4)
12 School returning to fame (4)
13 Part of faith with which to hound mother (5)
14 Skid to edge by mistake (4-4)
16 Bully for party on motorway? Never (8)
18 Shoot to odds on drilling equipment (5)
20 Jump out of male apartment (4)
21 Punters are superior people (6, 4)
23 Initiation of graduate to exercises is by Frenchman (7)
24 Henry has one objection to fish (7)
25 No chaps — no (3-3)
26 Links progress from point to point (6)

DOWN

1 Might be electricity (5)
2 Effective relation (7)
3 Tent gear I modify so as to make whole (9)
5 Ought climbing plant to like sheep ? (5)
6 Thanks college for receipts (7)
7 Conventional behaviour is a fait accompli (4, 5)
10 Excellent opening speed (5, 4)
13 Airport yard disturbed by camel (9)
15 Ruffian confused by road speed (9)
17 Force with which one thousand pamper you and me (7)
19 Right to one highball is not as safe (7)
21 Stitch is well founded they say (5)
22 Rabble on point of finding way (5)

Solution to Puzzle No. 2,989

PLAYINGONEFALSE
R S D E U R O N
ERASE REDRESSED
F M A M E E I L
AVAIL INSURANCE
C T N A G S
EXTERNALS NOTES
E E N P G H
RURAL THERENESS
E O I C I T
COFFEEPOT ERROR
O F V A A X G A
REALISTIC TURIN
D C N I L R I G
SETAGOODEXAMPLE

Trevor Humphries

John Shrapnel and Nigel Terry

...w

The Ginger Man

by B. A. YOUNG

...re is little to J. P. ...avy's plot: Sebastian ...rfield's hard-pressed wife ...n leaves him, he tracks her ... and seduces her lodger ... she has left him a second ... the peripatetic O'Keefe sets ...r work in France, returns ...orted. What matters is the ...tic depth with which the ...cters are drawn and the ...esque fluency of their ...ue — a specific in which ...onleavy has given himself ...ng start by making two of ... characters anglicised ...icans living in Dublin. ...n I say "romantic" I ...e its converse, for Danger... and O'Keefe are both idle, ...ss spongers for all their ...ating ways. There was ...h romance in Dangerfield ...e the immutably English ...-class Marion to make a ...ss marriage with him; and ...h remains to lure the ...tably Catholic Miss Frost ... his bed after a day's ...intance. But romance, like ...ther quality, is capable of ...per use.

...success of the play must ...n the quality of acting in ...d in Philip Wiseman's pro...n for the Dolphin company ...ting will do very well. In a ...alker and a greatcoat (too well pressed), a patch over one eye, Nigel Terry has no difficulty in presenting O'Keefe as an eternal fool, convinced that once he has corrected his accent he is destined for a nirvana of wealth and women ("when I get my phonetics taped, watch my smoke!"). There is nothing in the angry resentment of Marion that Louise Purnell cannot encompass with ease.

But the big moments are with Dangerfield, most particularly in his scenes in Act 2 with sad Lily Frost. Helen Ryan has Miss Frost most precisely, her innate conservatism and her pathetic weakness; when she tells Dangerfield reluctantly "I'm thirty-four" it sounds like an epigram. John Shrapnel's Dangerfield can make every cadging importunity into a compliment. Charm drips off his grubby, untidy figure, flaming suddenly as he emerges from his Linus-blanket to quick lithe movement, waxing and waning in his voice like spring sunshine. Mr. Shrapnel lets the words tell what a swindler he is while he maintains his fraudulent fascination.

Bernard Culshaw has designed horribly convincing sets for slum Mohammed Road and bourgeois Goldenvale Park.

Television

It's about us

by CHRIS DUNKLEY

It is unusual for a television programme to make you switch the set off when it finishes in order to think about what has just been said without the distraction of the following programme. To do that and also to make you wish you could lay your hands on a text and read through the entire script is most extraordinary. But for a television play to achieve both these effects and in addition the startled and delighted reaction: "Good God—it's actually about us!" is, in my experience, unique. Yet *The Glittering Prizes* on BBC2 did all these things and more.

Having said that I must immediately make it clear that I *was not* at Cambridge or any other university in the 'fifties or in any other decade, and that my immense pleasure in the play was not the warmth and the pride of belonging felt by one member of a coterie when another member recalls all the little nostalgic details of the earlier shared life—be that life in a university, a regiment, a newspaper office or a baked bean factory.

Yet the pleasure of self-recognition is certainly part of it, as the "Good God, it's us" feeling obviously implies.

During the last 10 years we have had a lot of television serial and series drama about the doings of our ancient ancestors' generations: *Elizabeth R, The Six Wives of Henry VIII, The First Churchills* and so on, and I would not deny that quite a lot of it was entertaining. We had a lot about our great grandfathers' generation, too—*The Pallisers* for instance—and about our grandfathers' contemporaries — *The Forsyte Saga* for instance—and even about our fathers' days—*South Riding for instance or Sam.* But serial drama set in our own period, after the second world war, has been very rare.

Notice, what's more, that that list starts with kings and queens, moves onto the aristocracy, goes from there to the upper middle classes, on again to the middle classes, and arrives at our fathers' generation with the lower middle and working classes.

Where could the poor dramatist go from there? He either went into the West End theatre and contributed to the construction of a stronghold for the effete middle class (if you accept Kenneth Tynan's fulminations) or he worked for television and wrote single plays in one of the two schools of thought about what constitutes Real Life in the post war era: pigeon fancying, rugby league and supping Burton ale on the one hand; dossing, drinking, and duffing up your common-law spouse on the other hand.

I—and a great many other people, I suspect—have grown tired of the endless harping on the problems of the tough and nasty life of the few at the expense of the attention which should have been given to the different, but equally realistic problems of the majority who are materially pretty comfortable. Of course there have been excellent plays and serials about pigeon racing, dossing, mining and so on (though it should be remembered while recognising their excellence that it is very much easier to create drama out of an aggressive down-and-out drunkard than out of those problems of the pretty comfortable majority) but in the end it is the sheer volume that has become insupportable.

And now along comes *The Glittering Prizes.* It is not about Jacobeans but about our own generation, and it is not about tough miners in the north or soft alcoholics in the south but about a crowd of rather intelligent middle class people who like author Frederic Raphael went to Cambridge in the early fifties. Does this mean that it is an "elitist" series, and that only middle class university graduates can appreciate it? Obviously not, any more than enjoyment of *Elizabeth R* was limited to kings and queens.

The first of the six plays "An Early Life" had in it some fascinating philosophical conundrums, or at any rate observations, such as the coexistence of Adam's vigorous rejection of his parents' religious beliefs with his immensely powerful identification with the plight of the European jews. "You're turning your back on 5,000 years" says his father in despair and disgust. "I sometimes think that's the only thing to do with 5,000 years" says Adam with defensive flippancy in a fairly typical Adam/Raphael line. Later, however, he is quite ready to march out of his hostess's house when she makes a slighting reference to "Hebrews."

By no stretch of the imagination does this make it a "difficult" or "obscure" play. On the contrary, one of the main reasons why it was so supremely successful was that it fulfilled all the demands of good soap opera. What, in the final analysis, was the death from leukaemia of Adam's English Catholic aristocrat room-mate but a 1950s version of the tragic death of the beautiful consumptive with everything to live for? And why do you suppose those drama soc. *people were planted so carefully* in the middle of the first episode, promptly to disappear again, unless they are to blossom—*Crossroads* fashion—in a later episode?

There was one moment when I thought that between them Raphael and director Waris Hussein had gone over the top: as Lady Frances (Elizabeth Spriggs, marvellously well cast like everyone else in the piece) revealed to Adam that her apparent selfishness over her dying son was actually selflessness, Hussein zoomed in histrionically to a big close-up and for a tantalising moment it seemed certain that massed violins would chloroform the soundtrack. Yet it all passed away calmly enough.

As *The Tale of Two Cities* was a soap opera in the form of a magazine serial which turned out to be good-quality literature, so *The Glittering Prizes* shows all the signs of being that rare (previously virtually non-existent) phenomenon, television soap opera which is a thoughtful, modern, well constructed drama series/serial, serious without being grave or boring, and on which expense has not been horribly skimped.

It had already attracted much praise, but a good deal of it for the wrong reasons, it seems to me: the accuracy of the fifties atmosphere has been cited, whereas in a production on this scale and at this level that is the sort of detail which ought to be considered only negatively; *if Raphael, Hussein, producer* Mark Shivas and the rest of the crew that had between them *not* got the popular songs of the period right, and had they *failed* to remember the tedious way in which nine out of ten undergraduates used to lapse habitually into the voice of Bluebottle or Eccles then they would not have deserved even to start succeeding.

It is the accuracy in terms of much more subtle (and at the same time more significant) phenomena which is so impressive: Tom Conti's magnificent amalgam of the physical and conversational mannerisms of Jonathan Miller, Kenneth Tynan and Dudley Moore with the occasional faint whiff of Lenny Bruce—the Dustin Hoffman is surely quite separate and sheer happenstance—and the tremendous facility with words which, like a woman's face marked by a beauty spot, is set off to perfection by the seductive hesitation which amounts at times almost to a stutter. Then the way that Adam needles with painful effectiveness against a hated attitude and promptly offers an apology which—at the moment it is expressed—is no less deeply felt than the original hatred.

And of course the attitudes themselves: the Sunday supplements can run sociology think-pieces from now till doomsday and they will never illustrate and illumine the changes in attitude towards sex, the church, the aristocracy and so on which have taken place in the past 25 years with anything like the brilliance achieved in this play.

It is enormously encouraging to be able to say this about a programme which is not just a television play but quintessential television: a large enough public could never afford to watch it in any form other than television, apart from the fact that such a six-part series would not work in the cinema or the theatre for a whole collection of reasons—not the least of them being that you would never get an audience going out for 1½ hours, six Wednesdays in a row.

I shall be surprised if they are not staying in, though, for *The Glittering Prizes.*

Tom Conti and Simon Cadell in 'The Glittering Prizes' (BBC2)

Whitehall

Come into my Bed

by MICHAEL COVENEY

Within five minutes you will, if you are foolish enough, have seen it all.

The scene is a country manor somewhere in Surrey, rather haphazardly converted from the neo-Gothic private clinic of *What the Butler Saw*, previously at this address. Denying us any original designs must be part of a strategy to concentrate our attentions on the breasts, bottoms and *montes Veneris* that parade with the excuse of a story-line involving a clairvoyant, hallucinating nyphomania, a chubby, desperately unfunny comedian and his nit-wit father; a tall lady doctor in short tunic and tights; and a butch ghost of Lili *Marlene.*

Lili brings to the nymphomaniac, played by Fiona Richmond with endearing monotony and minimal sexiness, the ghosts of various sexual alumni who, we are assured in my favourite line of this illiterate drivel, have been "storing up their ectoplasm for ages." The cheesecakes are appallingly impersonated, but costumes help us to identify Bogart, Flynn, Valentino and King Kong, who has, we are led to believe, a very hairy Oh My God. Still, Fiona goes battling on to a dismally staged finale with Napoleon, pumping away in time to the 1812 Overture.

London has two plays, by Ben Travers and Mike Stott, which talk down to no one in their discussion of, and delight in, sex.

One of the theatre staff, obviously resigned to the awfulness of the show, merrily quipped to his producer in the foyer that he did not mind the reviewers writing "diabolical" as long as *they did so with a capital D.* Well, there is nothing diabolical or even disgusting about this talent-starved exercise (at least those pretensions were discernible in *Oh! Calcutta!*). It is Boring, Amateurish and Unerotic.

Radio 3

Perahia

by DOMINIC GILL

Murray Perahia divided his BBC lunchtime recital on Monday between Haydn and Schumann—an hors d'oeuvre of Haydn's late C major sonata (Hob. 50), followed by the Schumann *Etudes symphoniques.*

It was a beautiful performance of the Haydn: featherlight articulation, careful attention to every detail of light and shade in the first movement, a delicate performance quite without coyness—though there was just a suspicion that his frequent use of a weak accent on a strong beat (so important an expressive device, so easy to over-use) could become a mannerism if not checked. The adagio was compelling, a perfect simple line, suspended and exquisitely decorated; the little finale, a model of unstudied charm, lightness and air.

Perahia played the version usually heard these days of the *Etudes symphoniques*, the earliest, with alternative readings from the later edition in the first and second Etudes and the last pages of the finale. He gave an intimate, searching account of the 12 variations—a quietly impassioned Etude No. 2; a thoughtful rather than sparkling No. 3 (interesting, though one may still prefer this marvellous variation to soar higher, gleam more brightly). Always there was fine, sensitive orchestration of inner voices—*in No. 5, very soft, very detached,* scherzando, rounded with a shy smile, a wistful cadence; and notably in the ecstatic duo flight of No. 11.

Perhaps ideally No. 6 should have a more positive stand of *gran bravura.* But no punches were pulled in the *presto possible* of No. 9, or in the wild Etude No. 10; No. 8 had real French - overture grandness, wound with delicate dreaming. Perahia held back in the finale, constrained maybe by no more than cold fingers—for a pianist, lunchtime at St. John's, on an icy day, is no joke.

Jewish Book Award

The Jewish Chronicle Book Award for 1975 has been won by William J. Fishman for his book *East End Jewish Radicals 1875-1914* (Duckworth). The award was first instituted in 1965 and has been won among others by Dannie Abse, Dan Jacobson and Mordechai Richler.

Rudkin play to open in Newcastle

David Rudkin's new play *Sons of Light* will open at the University Theatre, Newcastle, in March. The author describes it as "a strange and haunting play with a powerful and evocative *atmosphere, set on a mysterious* island." It will be directed by Keith Hack.

...York theatre

Nothing in between

by GEORGE OPPENHEIMER

...two successive Sundays ...opened one of the worst ...ne of the best musicals to ...oadway in many years. Let ...nsider the best first.

...re has seldom, possibly ... been as unusual a show ...*cific Overtures*, produced ...directed by that master ...*nan and artist, Harold* ...e. It has a book by a new... young John Weidman, ...of novelist Jerome, with ...onal material by the ...ed Hugh Wheeler. It has ... and lyrics by Stephen ...eim in top form choreo...y by the inventive ...cia Birch.

...Prince has dared to take ...iental theme and translate ...nto American vernacular. ...play is seen from Japanese ... contains nothing but ...tal actors (with the men taking the roles of women as in Kabuki and also playing Americans) and tells of the arrival in 1853 of Commodore Matthew Perry and four American battleships on Japanese shores and in an effort to open trade with this reclusive and remote people.

Mr. Prince, Miss Birch and their cohorts have succeeded amazingly well in this blend of East and West, of kabuki and American musical theatre. Boris Aronson has accomplished wonders with his sets, some of which are built before your eyes. Using screens and other props, he evokes an Oriental fairy-tale with Japanese screen illustrations. He has been greatly aided by Florence Klotz's delicately coloured costumes and by the subtle lighting of Tharon Musser.

There is not much plot yet somehow there is plenty of action. A young peasant becomes chief of police, is sent, presumably to his death, to tell Commodore Perry to go away. When Perry professes friendship instead of battle, the chief is made governor and a samurai and his comrade who was about to be put to death for a crime is also forgiven and made a prince. The Shoguns or warlords struggle with one another to gain ascendancy while the Emperor is still a baby and the Emperor's Chief Councillor has his own ambitious plans.

There is sword play and kabuki play; humour and pathos; and beauty second to none. The humour is principally in two Sondheim numbers—a madam instructs her girls how to welcome and treat Perry's sex-starved sailors and various admirals of varying nationalities come to negotiate trade agreements in a comic travesty of the Americans, the British, the French, the Dutch and the Russians. There is pathos in the death by her own hand of the young man's wife who gives him up for dead.

Mr. Sondheim's music is also a blend of Orient and Occident and his lyrics are incredibly clever and apt. This may well be his finest hour. As for Mr. Weidman, his script is always literate and tasteful, an auspicious initiation into the theatre.

The actors, under Mr. Prince's dedicated and ingenious direction, are all excellent. Those who stand out are Mako who plays the Reciter and various other roles, Yuki Shimido as a corrupt councillor, Isao Sato and Sab Shimono as the two men who are sent to frighten off Perry and Soon-Teck Ho who plays both female and male roles.

There are those unfortunates who dislike *Pacific Overtures.* In fact, at the preview which I attended some people walked out. Clive Barnes' review was a yes-no and will do more to scare off than entice audiences. Despite this, and despite a second act that sometimes lags, I think there are enough people to appreciate the beauty, the originality and the melody of this artistic entertainment. I, for one, can hardly wait to see it again.

We now come, with faltering steps, to *Home Sweet Homer*, a musical or, rather, unmusical adaptation of Homer's *Odyssey* that is almost as vapid as its title. To start with, as a tribute to taste, it closed after an opening that occurred at a matinee. In other words, it was the first opening in Broadway history that never lasted through the night.

Yul Brynner played *Odysseus* as if he wished he didn't have to and Joan Diener enacted Penelope, mugging her way through the dreary songs and acting like a not very frisky clothes-horse. The scenery was uninspired, the costumes likewise.

There was no dancing so there was no choreographer to blame. Albert Marre, who directed and co-authored the book with Roland Kibbee (after Erich Segal, author of *Love Story*, had defected), must bear most of the blame since his staging was no better than his writing. The only scene I liked was that where the body-building suitors were dropped by Odysseus into the orchestra pit. Unfortunately this did nothing to still the orchestra.

I realise that into every life a little rain must fall, but *Home Sweet Homer* was a monsoon.

Duke's Hall, RAM

Varèse

by RONALD CRICHTON

The third concert of the RAM's Varèse festival took place on Monday, when a decent number of people braved the sleet to hear John Carewe conduct the Manson Ensemble (director Paul Patterson) in two works from that self-critical master's sparse output. *Ecuatorial* (1934) is a setting for bass soloist or unison male voices of a Mayan prayer to fertility gods, in Spanish translation, scored for trombones, trumpets, piano, organ, ondes Teremine (precursor of Martenot) and a large battery of percussion. The work was given twice. Just as well, because the first time the organ was ciphering badly and the small choir sang (in Spanish, I think) heartily but untidily, without conveying much idea of what words or *music were about.* Varèse's wife states that her husband "wrote *Ecuatorial* with Shaliapin in mind." Later he decided that the singer would need amplification, but I suspect that Shaliapin, even without a *microphone*, would have made more sound than we heard on Monday.

The sonorities, spacings and choice of instrumental timbres are certainly extraordinary for the time—in the '30s, composers were still turning out sub-impressionist travelogue music. Varèse had an acute ear and he had, though it maybe unmodish to say so, taste. Brutal rather than exquisite taste but taste nonetheless—selecting, comparing, contrasting, choosing. For some strange reason *Ecuatorial* made me think of Van Dieren, whose music was occasionally heard in England about the time *Ecuatorial* was written. He was a year younger than Varèse and though his style was very different he was also an original—a solitary, neglected, well-informed, curious composer in whom the creative blood ran thinly.

I didn't find much creative spark in *Ecuatorial* or in the considerably later (1958) *Electronic poem*, written for the Philips pavilion designed by Le Corbusier at the Brussels Exhibition. But there is a welcome absence of the vices that beset much electronic music, the running on, the doodling, the indulgent flabbiness. Everything, once again, is selected and placed with fastidious care. Though he refused to be a copy and went off in new directions Varèse did not forget the essentials he had learned in Paris from friends like Ravel or from his teacher Roussel. This fact was underlined by a song given at this concert between the two main works by Sara Mousley (singing at short notice) and Philip Lee. "Un grand sommeil noir" was written in 1906 to words of Verlaine previously set by Ravel. Varèse catches the dark mood of the poem but also catches the slightly sickly-sweet taint which Ravel, writing with Mussorgskian relentlessness, transcends. The programme was so short that it would have been a pleasure to hear the *Electronic poem* again—and the song. Last concert of the series, with *Amèriques* and *Arcana* for large orchestra, on Wednesday, February 4. Admission free.

WORLD TRADE NEWS

Swedish exports of pulp products down 30%

BY WILLIAM DULLFORCE

STOCKHOLM, Jan. 27

SWEDISH PAPER and board exports fell by 30 per cent. last year, *according to preliminary* figures from the Swedish Pulp and Paper Association. Total deliveries of pulp for paper-making dropped from 4m. tonnes in 1974 to 2.9m. tonnes with production declining from 4.3m. tonnes to 3.7m. tonnes, despite an increase in capacity during the year. Pulp stocks at the end of the year were 980,000 tonnes or more than double the normal, but the Association warns consumers not to expect any price *cuts*.

It anticipates a relatively *slow improvement in the market* during the first half of this year, *but not sufficient to pre*vent further halts to production at the mills. The Association is pinning its hopes on a firmer recovery in the second half of 1976.

Leading Swedish mills have already announced that for the first six months they will quote prices in U.S. dollars instead of Swedish Kronor. This move is explained as meeting the wish of Common Market customers and reflecting the Swedish industry's determination to maintain its *traditional position on* the West European pulp market.

Sweden *is the main supplier* of pulp to the West European paper *industry, but its deliveries* fell sharply after the first *quarter of last year, until in the* summer they were running at *some* 40-50 per cent. of the 1974 annual average. An improvement occurred in the last quarter due mainly to the strike in the Canadian timber industry and the increase in the dollar rate.

The Pulp and Paper Association warns that the pulp mills plan to hold on to their stocks until the market improves further and allows for a progressive rundown. Stocks reached their current level in the autumn and cannot be expected to exercise any downward pressure on prices, it states. The stocks would be a "valuable contribution to avoiding a new overheating of the pulp market" during the next upswing.

Consumer stock-piling of both pulp and paper in 1974 affected the 1975 figures, according to the Association, which estimates that real consumption of pulp and *paper declined by 3 to 4 per cent.* in Western Europe in 1974, *while* deliveries *actually rose* by 3 per cent. In 1975 the *combination of* declining consumption and heavy consumer stocks meant that the West European paper industry as a whole could utilise only 70 to 75 per cent. of its capacity and many mills had to shut down for periods.

Brazilian outlook improves

BY DAVID WHITE

RIO DE JANEIRO, Jan. 27.

BRAZIL EXPECTS to come close to balancing its trade account this year after a deficit of \$3.5bn. in 1975, Sr. Mario Henrique Simonsen, Finance Minister, said at a Press luncheon here.

First estimates based on current agricultural prices indicated an increase of about 10 to 12 per cent. in exports from last year's \$8.65bn. At the same time it is hoped to reduce imports, already cut back in *1975 to \$12.17bn.* from \$12.5bn., by between 15 and 20 per cent.

Import curbs imposed at the end of last year began to bite in December with a sharp fall in import registrations for machinery and other goods, Sr. Simonsen said. Capital goods last year cost Brazil \$3.24bn., overtaking oil as the main burden on the country's foreign payments balance.

The import restrictions are considered likely to hold back the growth in Brazil's gross *domestic product to a level pos*sibly below last year's four per cent., after a rate of 9.6 per cent. in 1974. Sr. Simonsen said he considered the growth rate good *in the present economic* climate, but added that the 10 *per cent. a year foreseen in the* 1975-79 national plan was now unrealistic. "Nobody thinks this is possible," he said.

The expected improvement in the trade position, although still likely to leave a deficit, will reduce Brazil's borrowing needs abroad, largely based on the *traditional shortfall in its ser*vices account, Sr. Simonsen said.

Britain eyes Japanese market

BY MARGARET HUGHES

Anglo-Japanese trade is all too often seen in terms of Japanese cars, transistor radios, and other electronic equipment dominating the British consumer goods market. But trade is two-way, though opinions vary as to which country derives the most benefit, depending on which statistics are used. BOTB statistics for last year show a widening of the visible trade gap in Japan's *favour from £251m. in 1974 to* £365m.

Mr. Peter Shore, the Secretary of State for Trade, has already claimed that on the basis of Japan's own import forecasts, British exports to Japan could be worth about £1bn. a year by 1980—even if Britain does no *more than hold* its present market share. But currently Britain's surplus on invisible earnings with Japan is more than cancelled out by the deficit on visible trade. The BOTB is therefore anxious to improve Britain's performance.

Recognising the potential of the Japanese market, the BOTB *is now stepping up its efforts to* encourage British industry to *venture into the market. It has* published a booklet, British Successes in Japan, which demonstrates how a large group of British companies are beginning to show results. The booklet covers case studies of 28 com*panies, outlining both the suc*cesses achieved and the individual problems encountered. The products covered range from jet engines to records from flight simulators to industrial diamonds.

Trade statistics for the early part of last year showed British *exports to Japan to be falling off.* There was some recovery in the last quarter of 1975 with total British exports showing a rise of 10 per cent., while closer examination shows that in certain sectors Britain not only stepped up its exports to Japan last year but also outperformed some of its European competitors.

For a range of goods, which includes transport equipment, non-electrical and agricultural machinery, scientific instruments and toys, U.K. exports were up by 13.8 per cent. This compares with a 9.9 per cent. decline of total imports in these sectors, a 14.4 *per cent. fall in exports* from West Germany and a fall of 19.2 per cent. in French exports in these categories. Britain still only has a share of no more than 1.4 per cent. of total Japanese imports, but the BOTB hopes by spelling out this progress to stimulate further *British endeavours in a market* which is traditionally regarded as both difficult and distant.

The BOTB contends that the market is in reality different rather than difficult.

N. Zealand import deposit plan

By Dai Hayward

WELLINGTON, Jan. 27.

IN AN effort to restrict imports without imposing direct controls the New Zealand Government has introduced an import deposit scheme on a wide range of selected imported finished consumer goods.

From February 2, importers will have to put up a deposit of one-third the value of their proposed imports. This will be held by the Reserve Bank for six months and repaid without interest. Trading banks have been banned from advancing *loans to importers to finance the* scheme.

The need *to find the additional* finance will restrict importers' ability to order, the Prime Minister Mr. Robert Muldoon claims.

Goods on the list include many supplied by Britain including whisky, domestic table ware, glassware, typewriters, computers, office machines and sewing machines. Other goods *affected are photographic films*, earth moving machinery, marine *engines, tractors and loading* machines. Luxury items such as pearls, precious and semi-precious stones, jewellery and antiques are also included.

The Government has decided against direct import controls *because* these would affect internal employment but it will not hesitate to extend *the new* scheme if exececssive importing of any range of goods occurs. New Zealand's balance of payments cannot stand any increase in import costs says Mr. Muldoon.

The new scheme will operate *for one year.*

Iran, Turkey to discuss transit fees

By Metin Munir

ANKARA, Jan. 27

TURKEY'S DECISION to increase fees on international transit traffic will be taken up by the foreign ministers of *Turkey and Iran in Lahore*, where they are to attend a regional co-operation (RCD) meeting on January 28-30, diplomatic sources said here to-day.

Foreign Minister Ihsan Sabri Caglayangil left Ankara today and is expected to have talks with his Iranian counterpart Abbas *Ali Khalatbari starting tomorrow.*

Iran, which was adversely affected by the rise in the transit fees, has threatened to withhold some of the \$1.2bn. credit it promised to Turkey.

Iran does not have a highway agreement with Turkey, which put Iranian TIR lorries at a dis*advantage compared* with competitors which operate under agreements. Diplomatic sources expect Mr. Caglayangil to propose an extension of this privilege to Iran as well, for a certain period of time.

Rise in Scotch export price

By Kenneth Gooding

THE EXPORT price of Scotch *whisky goes up by roughly 12* per cent. from to-day and this should add at least £45m. to the whisky industry's overseas earnings.

The announcement coincides with publication of the final export figures for 1975 which show shipments rose by a modest 3 *per cent. on the 1974 level to* 90m. proof gallons. In the past the industry has looked for an 8 per cent. annual increase in consumption. The value was up 12 per cent., however, to £366m.

These figures show a good recovery on the first half when Scotch exports were down by 10 per cent. *in volume, hit mainly* by de-stocking in the U.S., the world's biggest market for whisky, and in Italy.

The only market not to be affected by to-day's price increase is the U.S. where the major companies quote their prices in dollar terms. The de*valuation of the pound against* the dollar has therefore seen the Scotch companies earning more pounds from that important market.

The price increase recommended by the Scotch Whisky Association is of 90p *a case of* 12 bottles. But as the distributors' allowance is increased by 15p a case this will give a net rise in the export price of 75p a case.

The SWA recommendation does not cover either the U.S. or the Common Market coun*tries. But announcements from* leading companies in the industry last night made it clear that the price increase will apply to the EEC territories, except for the U.K.

This latest export increase follows price rises in January 1974 and August last year. However, in many overseas markets the new prices do little more than compensate for the *fall in* the value of the pound.

Export Finance

Ships loan

The Export Credits Guarantee department *has also guaranteed* a £6.6m. loan which Williams and Glyn's Bank Limited have made available to Wallem Steckmest of Norway to help finance the purchase of two Austin and Pickersgill SD14 cargo vessels. The ships are scheduled for delivery in the first half of 1978.

The department has also guaranteed two £10m. lines of credit which have been made available to Vneshtorgbank, the Foreign Trade Bank of the USSR. Morgan Grenfell arranged one *in conjunction with Lloyds Bank* and the other was concluded by Lloyds Bank *acting on their own* behalf.

AMERICAN NEWS

Polls show Ford leading Reagan by 50 to 38%

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Jan. 27.

PRESIDENT Ford's political stock is, for the moment at least, *on the rise and Governor Ronald* Reagan's is declining. This is the latest message from the public opinion polls, for what they are worth at this early stage in an election year.

According to the National Broadcasting Corporation survey of registered Republican voters, the President now leads his Right-wing Republican challenger by 50 per cent. to 38 per cent. Last month, he trailed in the same poll by 43 to 40 per cent.

NBC's political analysts said that the major reason for his improvement was that "most people think the economy is *going to get better.*" Reflecting this, the same survey reported *that 56 per cent. of those* questioned thought that Mr Ford was doing a good job, up from 50 per cent. a month ago.

The poll, which also encompassed Democratic voters, put Mr. Ford *ahead* of Senator Hubert Humphrey by 46 to 40 per cent. Mr. Humphrey is, of course, technically not a candidate.

Any President tends to do well in the polls in January, given the national exposure he gets through the State of the Union message and the horde of policy documents, including the budget, that come out under his name at this time of the year. The apparent evidence is that the man in the White House is *actually directing the course of* the country.

On the other hand, Mr. Reagan's provisional fall from *favour may be the consequence* of a number of additional factors: a *reaction to the blaze of* publicity he received over Christmas, critical public appraisement of what few programmes he has proposed on domestic affairs and perhaps a growing realisation inside the Republican Party that he would be hard to put into the *White House* because of his political extremism.

It must be stressed, *however,* that these are very early days for both parties. Mr. Ford's personal campaigning in New *Hampshire does not get under* way until next month, when he *will cross swords with Governor* Reagan.

The Democrats, *meanwhile,* with the exception of Senator Humphrey, *are spread out all* over the country. Public attention, *inevitably, is focussing* mainly on Governor Jimmy *Carter, with certain elements in* the media turning an *increasingly* beady eye on what are claimed to be inconsistencies in his public pronouncements and his actual achievements.

Lougheed shuns nomination

BY OUR OWN CORRESPONDENT

OTTAWA, Jan. 27.

THE CANADIAN Progressive *Conservative Party looks like* staging Hamlet without the Prince: Mr. Peter Lougheed, Premier of Alberta and the man who might have swamped next month's nominating convention, has once again refused to enter.

He said this month—as he has done before—that he has a firm *commitment to Albertans. Even* those who thought that the dynamic Mr. Lougheed was the man to infuse vitality into the Tory party and to beat Mr. Pierre Elliott Trudeau, the Liberal Prime Minister, in the next federal election, are giving up hope.

The latest of several Lougheed booms was set off by two news*papers, the Toronto Globe and* Mail, a widely respected, *business-oriented daily, and the* Journal in Edmonton, capital of Alberta. They were induced to plead with Mr. Lougheed to make himself available by the dismay caused, not only in the business community, by the price and wage controls of the Trudeau Government, and by the *Prime Minister's recent public* musings about what he considered the failure of Canadians to make the market system work. Ironically, Mr. Trudeau resoundingly won the election of 1974 by ridiculing Progress Conservative proposals for controls.

Mr. Lougheed's "no" left 11 contenders for the nominating convention on February 18-22, *including one woman, Mrs.* Flora MacDonald, who has attracted a lot of attention from the press and on the air. Mrs. MacDonald, aged 49, was born in the Maritime Provinces, but was returned to the House of Commons from Kingston, Ontario. Years of service as *the party's national secretary* have made her well known across *the country.*

Several candidates have come forward from Quebec, a mainstay of the Trudeau Liberals, where inroads by the Progressive Conservatives would have far reaching consequences for federal politics. Mr. Claude Wagner, a French Canadian with a *"law and order" reputation* had expected to be the favourite *son of that province.* Mr. Wagner has made successful speaking tours in the English-speaking West. He is a one-time Liberal minister in the Quebec provincial Government.

Mr. Paul Hellyer is another Liberal turned Tory. He served under three federal Liberal *Prime Ministers until he broke* with Mr. Trudeau over housing *policies.* After being defeated in the 1974 House of Commons election, Mr. Hellyer became a freelance political columnist. He is highly regarded in the Tory party and many observers think that he may emerge the winner, though as a recent convert he will also have obstacles to overcome.

Canadian dollar gains strength

BY VICTOR MACKIE

OTTAWA, Jan. 27.

GAINING more strength, the Canadian dollar moved up to above parity with the U.S. dollar when the market closed yesterday. There is expected to be an increased flow of funds from the U.S. into Canada. The flow would *occur on the premise that the* Canadian dollar, which closed at \$U.S.1.0004, will stay above parity for several months before falling back below the U.S. dollar. The higher Canadian interest rates has brought about the strengthened Canadian dollar.

● Finance Minister Donald MacDonald has announced that *he will bring down his first* federal budget in May. He said *that he has been influenced by* two factors in deciding to bring *down his budget after Easter.*

First, he wants to get a clear reading of the impact upon the economy of the anti-inflation programme introduced last October. Secondly he wants some clearer signs as to the direction of the international economy.

Venezuela plans new steel complex

BY JOSEPH MANN

CARACAS, Jan. 27.

THE VENEZUELAN Government will spend \$3.49bn. for the construction of a new steel manufacturing complex in the western oil producing State of Zulia.

Construction of the plant, which will be capable of manu*facturing 5m. tonnes of steel* annually, was announced by President Carlos Andres Perez on January 1, but no details on the project were released until to-day.

The Perez Administration, with greater petroleum income than any government in the nation's history, is already carrying out another steel project called Plan IV. This plan, which will be completed around *1980, will* boost the production capacity of *Government steel mills* in Guayana from 1.25m. tonnes per annum to about 6m. tonnes, and is expected to cost well over \$3bn.

Construction and outfitting of the new Zulia steel mill will be done over a seven to eight year period and the Government is now in the process of choosing a precise location for the complex.

Massive government spending on steel for domestic and export *sales forms a key part of the* Perez Government's programme to reduce Venezuela's lopsided dependence on petroleum, which provides the Government with about 85 per cent. of its total income.

Chrysler to decide soon on VW engines

By Jay Palmer

NEW YORK, Jan. 27.

CHRYSLER should be able to make a decision within the next few weeks on whether to buy Volkswagen engines to power its *next generation* of sub-compact vehicles. Although the U.S. car company to-day refused to comment on the discussions and simply insisted that "talks were continuing," the view in Detroit is that a final choice is now imminent.

VW and Chrysler have been negotiating a number of various car-making and parts-supply arrangements since last autumn when American Motors said it had agreed to buy an engine from the West German company. The principal alternative to a similar deal by Chrysler would involve the U.S. company expanding to build its own new engine.

While these talks are coming to a head, Volkswagen's *North* American representatives this *morning* confirmed that they are still looking at "several alternative" U.S. plants, as potential sites for car assembly operations. Although VW is still considering two Chrysler plants in Detroit and Pennsylvania, these are understood to be less appealing than a vacant *U.S. Government facility* once used to build tanks in Ohio.

On previous occasions both VW and Chrysler officials have stressed that the current engine talks between the two companies are not nearly "as complicated" as the VW-American Motors pact. While that stretched to include a provision for AMC ultimately *building VW engines itself*, Chrysler is understood to be only interested in buying a specified number of engines outright.

Although the U.S. car company, following up the alternative choice of going it alone, has already announced preliminary contracts with several machine-tool builders for engine-block and head manufacturing equipment, it is understood that these are unlikely to be finalised. One serious disadvantage of this option centres on the initial high investment and negative cash-flow that it would entail.

Olympics hit by death of key organiser

MONTREAL, Jan. 27.

THE TROUBLE-plagued Montreal Olympic Games have *suffered* another blow with the death of one of the key men on the organising committee, Executive Vice-President Simon St. Pierre.

Mr. St. Pierre, 41, died in hospital here yesterday from injuries sustained in a riding accident at Bromont, Quebec, site for some of the Olympic equestrian events. The organis*ing committee* has gone through all kinds of ups and downs, but this must be one of our real low points, commented Mr. Roger Rousseau, Commissioner General for the Games. Reuter

BRAZIL BY BUS

The pain and the music

BY ELINOR GOODMAN

BRAZIL BY BUS was born principally out of economy and a weakness for alliterative headlines. Brazil by Boat had a similar appeal but there are few navigable rivers on the north-south route from Recife to Rio.

As it turned out, there were not many navigable roads either. And, euphonious it certainly *was not. Banging along mud* track roads to the accompaniment of at least six transistor radios all tuned to different stations, the ears were merely one part of the body to suffer. But cheap it was. The fare for the whole 1,000-mile bus trip was less than £15 (plus the cost *of one fairly extensive bit of air*borne cheating between Salvador and Belo Horizonte 7. The first two days were spent largely in a jet-lagged, heat-induced trance. The first thing which penetrated this trance was the people, and then rather banally, the fruit—absurd discoveries such as that *the nut is only the fag end of* the cashew fruit. The crowds in the market of Recife looked like a poster advocating the aesthetic benefits of mixed marriages.

In Recife I became member number 36 of the town's only *frevo* school. While the samba is more commonly associated with Brazil, the *frevo*, with its wild leaps and twirlings *of umbrellas, is the dance of* Recife itself. Or it will be if Francisco do Nascimento Filho has his way. He has been given a grant to teach the dance to school children. In the evenings he runs a school for all comers in his front room, somewhat to the annoyance of the local police.

His house, above the main town, seemed in danger *of* slipping down the hill in the *next heavy rainstorm. When we* found it there was nobody else *there but Filho and his family.* Faintly embarrassed, we waited *for the spectators who usually* attend such schools. They never appeared. Instead we were given an exclusive and very dignified lecture on the art and history of *frevo*, delivered with almost visionary passion. Then the extended family took over, each child rolling up his shirt (bare *midrifs are obligatory for the frevo*) to give his interpretation *of the dance to the music of a* rickety gramophone.

Next day, at 6.30 a.m., on the bus. A local one, going some 80 miles inland to a small market town called Caruarú. The driver seemed to hate the smarter, long-haul buses and overtook three before leaving the outskirts of Recife, endangering the lives of several mules as he did so. *Like* most Brazilian bus drivers, he *seemed to regard a "no over*taking" sign as a direct affront to his masculinity.

Occasionally, the bus would suddenly depart from the main road—itself the quality of a minor road in most European *countries*—and plunge down a mud track into the middle of a *village. In one place it* was market day. The big attraction seemed to be mattresses. *Every*where people were walking around with mattresses on their heads or strapping them laboriously on to their mules.

> ". . . the driver emerged to announce that singing was not allowed at night. The passengers at the back immediately started to whistle."

Caruarú was the kind *of town* which most tourist itineraries tend to by-pass for hygienic reasons. Children swarmed to the bus offering to carry your bag, find you a hotel, or whatever. One child of about ten offered to take us to the rival bus station with two suitcases and a typewriter on his head. His brother, too small to put much on his head, tried to brush my feet in the absence of any proper shoes *to clean.*

Waiting for the bus to Maceió, *I noticed that next to the bus* station there was a funeral parlour—a juxtaposition *repeated* rather ominously in several towns. For some, the luxurious velvet and gilt coffins must have been their most comfortable—and expensive—ride on this earth.

The new driver was not one to take risks. His windows were adorned with religious medals. Wisely, he hedged his bets both *ways. In the event of a crash,* he would have been protected not only by a battery *of* Christian saints, but by their Candomblé equivalents as well. Candomblé, a form of voodoo, *is* a syncretism of Christianity and African religions imported with the slaves. Christian saints are given African "Saints' mothers." Our Lady of the Immaculate Conception emerges *in Candomblé as Yemanjá*, goddess of the sea, while St. George is transformed into Oxossi.

When the bus reached Maceió 1100 miles on, it began to rain for 24 hours. Maceió and its miles of empty beaches have hardly been developed as a tourist centre. But if the precedent of those towns which have been developed is anything to go by, the shade of the coco*nut trees will eventually be re*placed, in part at least, by the *shadow of multi-storey hotels.* (Despite the vast empty spaces in Brazil, hotel operators seem *to vie among* each other for the prize of building the highest hotel.)

Next day 400 miles to Salvador, capital of Bahia. The first driver lulled me into a false sense of security, calmly allowing local buses to storm past him, and treating his cargo of passengers as delicately as a crate of eggs. He did not last long. He—and the bus which failed to pass its medical—was *replaced by a man who first* went on a detour to deliver a *present to a girl friend* and was then in an immense hurry to get back to her. He still had time however to enjoy the sporting pleasures of the road. He and his mate had devised a game whereby they tried to swap windscreen dusters, like relay batons, with other buses. The exchange was never perfected but they tried valiantly.

Monday, the feast of the Immaculate Conception: on my back, paralysed by an attack of Bahian stomach. The throb of *drums vaguely entered my* consciousness and the streets were full of dancing people. In *the absence of a drum, children* would beat out the rhythm of the samba on anything that made a noise—be it a dustbin lid or somebody's Volkswagen. Next day, I felt less sorry for myself.

Diarrhoea is one of the largest single causes of death among children in Bahia. Few houses have proper sanitation *and the whole town is pervaded* with the stench of poverty. Outside one of the *most expensive* restaurants, children were eating straight out of the restaurant's dustbins. In the churches women beg for money, sometimes stuffing *half the proceeds* into the offertory box. Others *placate the god of the sea by* leaving offerings of manioc and cigars on the beach, illuminated by candles.

Funking another eight hours by bus, I flew the next stage from Salvador to Belo Horizonte. It enabled me to borrow an airline cushion to soften the discomfort of the next bus journey—two hours over the mountains to Ouro Preto, meaning "black gold," because the mountains around the town, one of the oldest in Brazil, glitter with mineral dust.

The last leg took me overnight to Rio sitting upright, but relatively comfortable thanks to the airline cushion. By now I was sufficiently disdainful of the rigours of bus transport to have contemplated sleeping. But that was without reckoning with the innate musicality of the Brazilians—may be appealing *during the day, but profoundly* irritating at 4 a.m. Each passenger seemed dedicated to his own particular radio station, preferably to the accompaniment of his own voice. Eventually, the driver emerged to announce that singing was not allowed at night. The passengers at the back immediately began to whistle.

The first thing I saw upon arriving at Rio at 5 a.m. in the morning was an advertisement for cornflakes. Civilisation had undoubtedly been reached.

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PRIME MINISTER TO GIVE MAJOR SPEECH TO-DAY

Spain awaits announcement on speed of approach to democracy

BY ROGER MATTHEWS

MADRID, Jan. 27.

PAIN'S POLITICAL future is ue to be spelled out to-morrow y Prime Minister Carlos Arias ith the Government and King uan Carlos having tonight been orced to delay their cautious metable for reforms. Sr. Arias ut the final touches to his peech to-day after a working ession with the three Deputy rime Ministers.

What could be the most nportant political statement to ave been made in Spain for at ast three decades comes gainst a background of connuing labour unrest and a dire arning from employers that e economic downturn has still ot been arrested.

No official comment has yet een made on the fierce intergime struggle over the weekd between die-hard members the country's top constitional body, the Council of e Realm, and the Government. he argument centred on the overnment's proposal to conue the life of the present ortes for 12 months in order *to introduce certain electoral* and constitutional changes.

The 17-man Council, which always strictly obeyed the wishes of General Franco, initially refused to give its approval which is necessary under the constitution. Its more reactionary members wished to see the partial elections for the Cortes held immediately, thereby renewing its mandate for a further four-year period and effectively blocking any real move towards a more democratic system.

It was announced tonight that the Government had accepted a 15-month extension, which means that Spain cannot have a more representative Parliament for 18 months. While this gives the Government still more time to push its programme through, it will also cause deep frustration among Left-wing parties.

The President of the National Council of Employers, meanwhile, said to-day that there was no sign of a reactivation in the economy. "On the contrary, it is still going down," said Sr. Manuel Conde Bandres in a radio interview. "Already more working hours have been lost in January than in the whole of last year. The major part of Spanish companies are losing more and not only are they finding it difficult to pay the interest on loans but are actually de-capitalising."

He added that initially the outbreak of strikes had some economic reason but they had now become almost entirely political with workers making demands which it was outside the competence of employers to meet.

Many of the country's major industrial zones remain seriously affected by stoppages, although in Madrid, where the strikes started, more men are slowly *being forced back to their jobs.*

There are also indications that the regime is beginning to lose *some* control over the officially-run trade union system. A meeting of over 500 leaders of the illegal "Workers Commissions" was held in Barcelona yesterday and reported briefly in the Press. Two years ago, a court sentenced leaders of the Workers Commission to 20-year jail terms.

In a challenge to the regime, the Socialist-led worker organisation the UGT has announced that it will hold a congress in Madrid on Saturday.

Illegal workers' groups have also demonstrated their strength in the Barcelona satellite town of Bajo Llobregat, where nearly 60,000 men have halted production in over 150 companies in solidarity with colleagues sacked for participating in earlier strikes. This action is similar to the still-simmering dispute in the Madrid suburb of Getafe which at times during the past fortnight has involved more than 20,000 workers.

The motor industry is also going through a difficult time with Chrysler still closed and output at the main Fasa-Renault plant in Valladolid at a standstill. Seat, which produces nearly half Spain's cars, is also suffering periodic stoppages.

Paris talks stalled on agendas

By Robert Mauthner

PARIS, Jan. 27.

IE FOUR SPECIAL commisns on energy, raw *materials*, velopment and financial probns, set up by the Conference International Economic Coeration last December, will ld a series of five meetings been February 11 and July 17, was decided to-day. The comssions will meet simulieously.

The timetable was agreed at meeting of the two conference d eight commission co-chairn here, but the controversial ue of the agendas of the comssions, which was the main mbling block at all the preus sessions of the conference, nains unsolved.

Ir. Allan MacEachen, Canadian retary of State for External airs and co-chairman of the nference, confirmed to-night t, while the group of 19 oil oducers and non-oil developing intries had submitted a ailed list of the subjects ich they want the commisns to discuss, the group of ht industrialised nations had clined to present a competing . They reserved the right to mit their own suggestions, e the commissions start eting.

The disagreements on the endas, which cover such portant issues as the indexau of oil producers' and eloping countries' exports on rld inflation, threaten to spill r into at least the first meets of the commissions.

Indeed, Mr. MacEachen said it he did not anticipate that commissions would complete ir work by July 17. For the ment, *no further meeting of* conference at high official el had been fixed, but a prosal that it should take place the middle of June will be subject of consultations tween the two participating oups.

EEC 'pre-membership' status for Greece under consideration

BY REGINALD DALE

BRUSSELS, Jan. 27.

THE EEC Commission is considering proposing a novel kind of "pre-membership" status for Greece to pave the way for the *country's full entry into the Community* at a later date.

The precise terms of the Commission's recommendation are due to be finalised at a meeting starting here to-morrow. However, some of the main elements of the line it will probably take have begun to emerge from preliminary discussions over the past week or so.

The Commission is thus likely to start from the principle that the Community's response must be positive, if only because ultimate Greek membership is foreseen under the country's current association agreement with the EEC. On the other hand, the recommendation is expected to refer not only to the severe structural problems of the Greek economy but also to the political tension between Greece and Turkey. The Commission is expected to express the hope that *this tension can be overcome, in* the same way that the present Community members have overcome past enmities.

To help prepare the country economically, senior Commission officials are canvassing the idea of a "pre-transitional" or "pre-membership" phase in which Greece would accept firm commitments to develop its economy. In return, the country would receive support from Community financial institutions such as the Regional and Social Funds, and perhaps also the farm fund, without being a full EEC member.

The Commission is also likely to stress that the process of absorbing Greece should not interfere with the Community's moves to greater integration — a point also made in the Tindemans Report on European Union published earlier this month. Rather than proposing the immediate opening of entry negotiations, the Commission is thought more likely to suggest preliminary discussions with the Greeks to identify the problems involved first.

Industrial demand reviving

BY DAVID CURRY

BRUSSELS, Jan. 27.

A SLOWLY - GATHERING strength in industrial demand and, in particular, signs that the metal industries are pulling out of recession is noted by the Brussels Commission in its latest set of economic comments.

It notes a firm advance outside the building and construction industry over September, even though the index of industrial production was still some per cent. below the year-earlier period.

The Commission is most positive in the case of the metal products industries which it pronounces to be "pulling out of the recession," according to its indications. Thanks largely to the recovery in motor manufacturing, output was some 9 per cent. higher in October than 12 months earlier, and the relative recovery had begun to spill over into related industries. However, the report notes that even in this area the lack of vigour in shipbuilding, mechanical, and electrical engineering were dampening factors.

Giscard tries to split opponents

BY RUPERT CORNWELL

PARIS, Jan. 27.

MORE THAN a year before they are due, the 1977 local elections have moved firmly to the centre of the French political stage, with another thinly veiled attempt by President Giscard d'Estaing to drive a wedge *between his Socialist and Communist opponents.*

His opportunity has come with the mounting row over whether Socialists should remain in local alliance with Centrists and others who at the last municipal elections in 1971 were in opposition, but who have now joined the President's ruling coalition.

The first shots were fired a fortnight ago when two leading Socialists, Gaston Defferre and Pierre Mauroy, mayors of Marseilles and Lille respectively, announced they were dispensing *with councillors who did not* support the Union of the Left.

Now, however, the parties of the majority have solemnly declared at a joint Press conference that Gaullist, Independent, Republican and Centrist mayors should retain Socialists already on their lists for the March 1977 vote—on the lofty but transparent ground that the smooth running of local authorities should not be upset by party politics.

In reality, the occasion was a timely reminder that, whatever *the impression created by recent* Ministerial bickering, the parties in the Government are united. Above all, though, it represented another effort by M. Giscard d'Estaing to lure into his fold moderate Socialists still unhappy with the Communist alliance.

Saudis may buy German arms via Belgium

By Nicholas Colchester

BONN, Jan. 27.

RHEINSTAHL, the West German steel and engineering company, is considering using its Belgian subsidiary, Henschel Engineering, to sell 600 Marder armoured personnel carriers to Saudi Arabia if the German Government refuses the German company permission to make the sale directly.

The company explained tonight that, subject to the approval of the Belgian Government, it should be possible for Henschel to undertake the final assembly of the Marders and thus do more than act as a mere agent to dodge *Germany's tough weapon export restrictions.*

The Saudi Arabian order, worth around DM1bn., has led Rheinstahl to apply to the German Government for an export permit. This application will ultimately pass to the security committee of the German Cabinet where its fate will be seen as an important indication of the Schmidt Government's attitude to the arms export business.

If permission is refused it seems unlikely that the German Government would bow to Rheinstahl's use of a Belgian intermediary without a fight. Some indication of what the Government feels about such a ploy may emerge to-morrow when a member of Parliament from the Social Democratic Party will ask a question on it.

It has been suggested of late that the Government might be willing to relax its very stiff interpretation of the "areas of tension" to which no German weapons may be sold. The Social Democratic Party has, however, come down weightily against such a relaxation.

Observers here point out that, relaxation or no relaxation, it would certainly require a marked shift in German attitudes to categorise a Middle Eastern country like Saudi Arabia as an area of no tension.

To-night, the Israeli Ambassador in Bonn, Mr. Yohanan Meroz, was being reassured by Foreign Minister Hans-Dietrich Genscher that there had been no change in German attitudes to the Israeli-Arab problem.

'Lisbon will not go Communist'

BRUSSELS, Jan. 27.

PORTUGUESE Foreign Minister Melo Antunes told Belgian Foreign Minister Renaat van Elslande that a Communist dictatorship had no chance in Portugal now, a Belgian Government official said.

The Portuguese Communist Party made a lot of errors and is not any more in touch with the country's reality," Antunes was quoted as saying.

Antunes was of the view that the Soviet Union does not want *a satellite in Portugal because* this would upset the European balance of power too much. "What Moscow really wants is to forestall the return of a Fascist regime in Portugal," Antunes was quoted as saying. UPI

EEC pact sought by China

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, Jan 27

THE EEC's relations with China have moved a further step forward *following* confirmation by Peking that it is now ready to negotiate an official trade pact with the Community.

China is the first Communist country to respond positively to the Community's offer of non-preferential commercial agreements, extended to all State-trading countries, except North Korea, in November 1974.

While Peking recognised the EEC last year, the Soviet Union and the Warsaw Pact countries have still not accorded Brussels formal recognition. In Eastern Europe, only Yugoslavia has a trade agreement with the Community, and talks aimed at establishing a new relationship between the EEC and Comecon have made little progress.

China first expressed general interest in a trade agreement *during last May's visit to Peking* by Sir Christopher Soames, the Commission Vice-President for external relations. Now the Chinese have indicated that they will send a team to Brussels to start negotiations in the coming weeks.

The outline agreement the Community has offered China and the other State-trading countries includes most favoured nation treatment and progressive trade liberalisation, for example through the removal of quotas. There would probably also be a safeguard clause to prevent the Community being swamped by Chinese exports, measures to stimulate agricultural trade and a joint committee to supervise the working of the agreement.

The details, however, will only start to emerge after a first round of "exploratory" discussions between the two sides after which the Commission will have to ask the nine member governments for a proper negotiating mandate.

Meanwhile, the Community's external relations are continuing their rapid development in other directions. Following the conclusion of new trade and co-operation agreements with the three Maghreb countries (Morocco, Tunisia and Algeria) in the past few weeks, negotiations are to start tomorrow for a similar agreement with Egypt.

Talks with two of the other Mashraq states (Syria and Jordan) are to open next week, while negotiations with the Lebanon, the fourth member of the group, have been delayed by the civil war. The new round of talks represents the second phase of the Community's "overall" Mediterranean policy, the ultimate aim of which is to create a vast free trade zone from Cork to Cairo.

To-morrow, too, the Commission will receive an official visit from Major Melo Antunes, the Portuguese Foreign Minister, who has been working hard to improve his Government's relation with the Community. Negotiations with Lisbon to improve the country's current free trade agreement with the Community are now expected to get under way towards the middle of next month.

World Bank expects to lend and borrow more

BY JOHN WICKS

ZURICH, Jan. 27.

THE WORLD BANK expects to borrow a total of some \$3.8bn. in the year ending June 30, 1976, according to Eugene Rotberg, World Bank treasurer, speaking here to-night. This compares with about \$3.5bn. in fiscal 1975. Commitments, he said, should rise from between \$4.2bn. and \$4.3bn. to some \$5bn. and actual disbursements from \$2.2bn. to \$2.6bn. or \$2.7bn.

The Bank, said Rotberg, is currently considering a capital increase to above the present level of \$30bn., whereby the paid-up share of 10 per cent. will remain unchanged. Since contributing Governments have not yet been approached the rate of capital increase cannot yet be determined.

The International Development Association, an affiliate of the World Bank, is discussing with Governments the question of replenishments for the next three-year cycle. World Bank profits, he added, should be in the region of \$200m. to \$300m. for the next few years and then increase.

Italian exchange market unlikely to reopen soon

BY DOMINICK J. COYLE

ROME, Jan. 27.

SOME PRELIMINARY indications of the caretaker Government's intentions regarding the reopening of the foreign exchange market may emerge here to-morrow when Sig. Emilio Colombo, the Treasury Minister, is due to report to a meeting of Senate commissions dealing with budget and treasury matters.

The Minister may well confirm the prevailing view in banking and industrial circles here that the market will not be reopened until the political situation has clarified, either with the formation of a new administration or by a decision in favour of bringing forward the general elections scheduled for the late spring of next year.

There remains just a possibility that Sig. Aldo Moro might go back to Parliament with his caretaker Christian Democratic/Republican Party minority Coalition Government and, in effect, invite the other parties—particularly the Socialists whose withdrawal of support brought on the present crisis—to vote it down.

Meanwhile, Sig. Moro was to-day apparently continuing with his efforts to form a new Government based exclusively on the Christian Democratic Party.

Soviets tell Communist Parties to toe the line

By Leslie Colitt

BERLIN, Jan. 27

THE SOVIET UNION has laid down its political line to its allies at a high level meeting in Warsaw of Communist Party secretaries from nine Communist countries.

The gathering of central committee secretaries responsible for ideology, propaganda and relations with other Communist parties has taken place as East and West are charging each other with violating the principles of detente stated at Helsinki.

Final document

The Warsaw meeting, however, also coincides with a new setback in relations between Moscow and the national-minded Communist Parties of Western Europe, Yugoslavia and Romania. Yugoslavia was absent from the Polish talks but representatives of Romania took part.

Only last week a 10-day working session of 24 European Communist Parties broke up in East Berlin after they were unable to agree on the premises for holding a summit conference of European parties. The Soviet Union has been urging such an all-European conference in East Berlin for nearly a year but its criteria for the final document has met with ever-growing resistance from independent Communists.

Key figure

Heading the Soviet delegation to the Warsaw meeting was Boris N. Ponomarev, a Central Committee secretary for relations with non-ruling Communist parties. Mr. Ponomarev has been the Soviet Union's permanent delegation chief at the East Berlin preparatory meetings and thus a key figure in the debate between Moscow and the independents.

Coinciding with Mr. Ponomarev's presence in Warsaw the Soviet Party newspaper Pravda issued a warning to Communists who are challenging Moscow's claim to leadership of the movement. In an article reprinted throughout Eastern Europe, Pravda lists "proletarian internationalism, solidarity and mutual support" as the foundations of relations between Communist parties. *Other attributes, such as* "respect for the independence and quality" of other parties came lower.

Anti-Sovietism

The emphasis on proletarian internationalism, better known in the west as the Brezhnev Doctrine, makes Moscow's leadership claim clear to the independent Communists. Pravda also tells them that western "propaganda attacks" against the Soviet Union make the struggle against "anti-Sovietism" an obligation of all Communists.

The message from Moscow is obvious, in the opinion of East European Communists here: the Communists of Yugoslavia, Italy, France and Spain, who are still refusing to accept Soviet demands, are committing exactly the same anti-Soviet acts as is the West. This comes close, the easterners believe to edging the independents out of the Communist movement.

HE IRISH BUDGET

Peanuts and pay pauses

BY GILES MERRITT, DUBLIN CORRESPONDENT

IE IRISH GOVERNMENT obbled for a moment because an argument about equal pay r women: for a *while last week* looked as if a Labour backnchers' revolt sparked by the overnment's decision to postme equal pay would topple the alition a few days before its idget was due.

It was a political crisis that ever quite caught alight, posbly because it seemed so unkely that the Fine Gael-Labour arty coalition would risk returnig to its role as the traditional pposition over an issue of mited scope. In the event, the ift was patched over with a mpromise so complex and inmprehensible that for the time eing everyone is satisfied.

The point of the row is not ut the coalition is often subct to strain and has to accomodate the vociferous Labour conscience" to safeguard its aky majority in the Dail parliament). It is that the conomy is in such serious raits that the Government ame close to risking a dangerous eneral election for the sake of mere £12m. That is the extra ost of equal pay for women in he public sector, which employs alf the women at work in the ountry.

In terms of the grim figures that he Finance Minister, Mr. Richie Ryan, is now grappling with as e puts the finishing touches to Wednesday's 1976 budget, the ost to the State of equal pay or public sector employees is eanuts. The pre-budget publiation of estimates for receipts nd expenditure shows that State orrowing this year will rise 40 er cent. over 1975 to £825m., nd that the shortfall between evenue and spending is £433m. Ir. Ryan's answer is certain to e a package of swingeing neasures.

The significance of Mr. Ryan's pirited fight to save himself 12m., and under the compromise deal he does manage to ang on to £10m., is that the money-raising options are extremely limited. He has been warned by the Organisation for *Economic Co-operation* and Development (OECD) against a deflationary budget. In the past few days, that view has been reinforced in Dublin by the Economic and Social Research Institute's publication of an "overwhelming" case for reflationary policies. In private meetings with journalists Mr. Ryan has indicated sympathy with the reflationists. He has qualified his support, though, with the rider that reflation must be in line with Irish resources. If the Government's publicly expressed determination not to resort to further massive borrowing abroad is any guide, that means a deflationary budget.

Doldrums

The republic has been hit hard by the general recession, harder than the Government had expected. Industrial output has fallen by 7 per cent., and only the buoyancy of agriculture kept the slide of GNP to −3 per cent. Industrial exports slumped 4.5 per cent. and only agricultural exports and a 10 per cent. drop of imports because of the domestic economic doldrums masked the increasingly serious position. In fact, for all the wrong reasons, the chronic trade deficit narrowed dramatically in 1975 to £30m. from the previous year's £300m. Most important of all, unemployment edged steadily higher and now exceeds 10 per cent. of the workforce of 1m., while inflation reached 21 per cent.

Partly to engender economic activity and partly to fulfil its social services programme, the Government pushed ahead during last year with a State spending spree. Mr. Ryan has shown that he is reining in public spending in 1976 and total expenditure is now estimated to be £2.092bn. rather than the £2.660bn. originally expected. In other words, it will rise by 25 per cent. rather than by 40 per cent. Critics of Mr. Ryan are quick to object to any increase.

But Ireland faces a population explosion now that there no longer is an emigration safety valve, and by 1985 there will be 3½m. people rather than the present 3m. Social services must remain a top priority.

This year, as the economies of western Europe slowly pick up speed, the Irish GNP can be expected to rise by rather less than 1 per cent. Mr. Ryan has said that his budget will contain measures intended to push that figure up to around 2 per cent., but there is little hope of any turnaround in the employment situation, and unemployment is likely to hover around 100,000 into 1977.

Bleak as it is, that picture is based on certain hopes. When Mr. Ryan stands up in the Dail on Wednesday afternoon he will be basing his budget on the assumption of a voluntary pay pause. Six weeks ago the Prime Minister made an emergency appeal to the trade unions arguing the need for wages to be frozen from mid-1976, when the current national pay agreement expires, until "at least the end of the year."

The more than 90 unions grouped in the Irish Congress of Trade Unions understandably are reluctant to accept Mr. Cosgrave's plea that only a pay pause will prevent exports from becoming uncompetitive. The argument is that if rises can be pegged to the 11 per cent. expected in the first half, overall inflation could be reduced to less than 12 per cent., if not, it would hit 15 per cent., while Britain, which absorbs around half of Irish exports, might still be heading for single figure inflation.

Some expert authorities, notably the ESRI which is championing reflation, maintain that exports will in any case remain competitive this year. The unions remain unconvinced that their 440,000 members should make all the sacrifices in an Ireland where 63 per cent. of the wealth is owned by the top 5 per cent. of the population. They are also aware that one of the Government's main reasons for a pay pause is that it would head off a probable 44 per cent. rise in the public sector wages bill and save the state deficit from easily topping £1bn.

Supplementary

The Government has gently threatened a statutory freeze, but nobody believes in that. Last week's restlessness on the Labour benches would turn into open rebellion. The unions refuse to commit themselves until after the budget. They are at present covertly pressing for either an agreement along British flat figure lines or an index linked system.

Mr. Ryan flatly states that by pay pause he means total freeze. What no one knows is whether he believes that, and has prepared a rigid budget requiring a supplementary package later in the year, if the battle for a pay pause is lost. Mr. Ryan is nothing if not a canny politician.

He will probably opt for flexibility. It will be less embarrassing if a snub on pay does not have to entail a hurried rejigging of economic policy. He is, after all, generally expected to go for a fairly wide-ranging and flexible budget combining limited borrowing with say, hefty increases of VAT and income tax.

Budget watchers also reckon that he will tap £50m. or so from those perennial favourites: tobacco, beer, spirits, and petrol. If so, he may be helping to solve at least one of Ireland's problems, that of drunken driving.

SALT talks open

The United States and the Soviet Union resume technical negotiations in Geneva to-day on a second-stage treaty to limit their nuclear arsenals.

The Strategic Arms Limitation Talks (SALT) adjourned six weeks ago to allow U.S. Secretary of State Henry Kissinger to visit Moscow for discussions with Soviet leader Leonid Brezhnev. Dr. Kissinger reported last Friday that the Soviet Union had introduced "some significant new ideas" to which Washington would reply in two or three weeks.

In the meantime, talks will recommence in Geneva between delegations headed by U.S. Ambassador-at-Large Alexis Johnson and Soviet Deputy Foreign Minister Vladimir Semyonov.

Kreisky defends guerilla handover

Austrian Chancellor Bruno Kriesky said he had no doubt his Government had acted correctly when it freed six guerrillas with their hostages after they attacked OPEC headquarters last month, Reuter reports from Vienna. In a statement to Parliament on the attack in which three people were killed, Dr. Kreisky said he understood Algeria's refusal to extradite the guerillas since Algeria wished to avoid bloodshed on its own soil.

Slow French growth

A study published by the French Chamber of Commerce forecast unemployment of 1.2m. by end-1976 and a growth rate of only 3.2 per cent. for the French economy this year. This compares with the December unemployment figure of 921,200, and with a Government prediction of 4.7 per cent. growth in gross domestic product in 1976.

Swiss end swap

The Swiss National Bank has announced the liquidation of a swap transectio nentered into in January, 1974, with the Bank for International Settlements, in which dollars were transferred to the Basle-based BIS against U.S. Treasury Bonds denominated in Swiss francs, John Wicks reports from Zurich. To finance the operation, the BIS had placed promissory notes with commercial banks. The National Bank has now taken over the dollar sum, freezing the released corresponding amount of Swiss francs by the issue of rescriptions to the commercial banks. As a result of this transaction, the amount of so-called sterilisation prescriptions in the National Bank's accounts has increased by Sw.Frs.443m. to Sw.Frs.1.4bn. and total foreign-exchange reserves by Sw.Frs. 222.9m. to Sw.Frs.12bn.

'Baby bomb' plot

An amateur metal worker described yesterday in Stuttgart, W. Germany, how he made for a member of the Baader-Meinhof guerilla group a "baby bomb" container to be carried under a woman's skirt and make her look pregnant. A woman pretending to be swollen in pregnancy smuggled a similar bomb past guards at a U.S. Army headquarters in Heidelberg in May, 1972. It exploded killing three soldiers. Mr. Dierk Hoff was giving evidence for the prosecution in the eight-month-old Baader-Meinhof trial.

Greeks, Turks to meet

Greek and Turkish delegations are to meet in Berne for talks, understood to be on the question of oil reserves, frfom January 31 to February 4. No further details of the meeting, which has been confirmed by the Swiss Foreign Office, are obtainable from Greek or Turkish sources in Switzerland

Brazil visit

French Foreign Minister Jean Sauvagnargues leaves Paris to-day for a six-day visit to Brazil aimed at tightening political, economic and cultural links between the two countries. M. Sauvagnargues' visit follows the creation last October of a "grand commission" to forge closer co-operation between the two countries.

Sculptor's hope

Soviet officials yesterday told sculptor Ernst Meizvestny, who has twice been refused permission to emigrate in the past year, that a decision had been taken to let him go and he would receive an exit permit next month. He plans first to go to Israel, Reuter reports. Neizvestny is widely known for a public argument with former Soviet leader Nikita Kruschev over modern art.

OVERSEAS NEWS

Unita holding its own in Central Angola

BY STEWART DALBY

LUSAKA, Jan. 27.

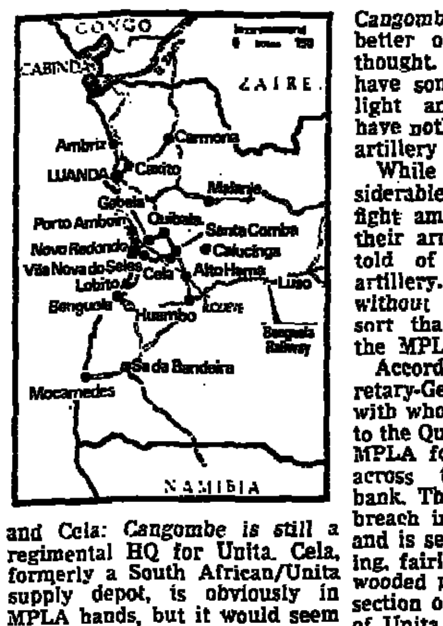
FIERCE fighting broke out early this morning on the outskirts of Huambo, the Unita capital in central Angola. As I drove in from Silva Porto, Unita's *military* headquarters, it *was* clear that a fire fight was in progress in the capital's northern suburbs.

I was one of a party of *Western journalists being flown* at Unita's request out of Unita-controlled Angola. Reports had reached us that the troops of the Luanda-based MPLA were *only about 60 kms. from* Huambo, and it was initially thought that the fighting might herald the arrival of MPLA troops into the city.

However, it seems that it was a fight between Unita troops and the remnants of their erstwhile coalition partners, the FNLA, who have already been roundly beaten by MPLA in the north. From the weapons being used (there were for example no *signs of the MPLA's 122mm.* Russian-built rockets) and from my own experience in the "front line" yesterday, *MPLA* troops still seem at least 100kms. and probably more from Huambo.

Yesterday I drove from Silva Porto westwards to Huambo and *north towards* Cela *for a total* distance of 245kms. We drove through Alto Hama, the key *crossroads town which MPLA* has unofficially claimed to control, seeing only Unita troops.

Unita still hold Cangombe, mid-way between Alto Hama and Cela: *Cangombe is still* a regimental HQ for Unita. Cela, formerly a South African/Unita supply depot, is obviously in MPLA hands, but it would seem that the "front line" is still being held at the Queve River.



Two points seem to stand out. *First, I saw no sign of South* African troops, or South African manned artillery, either in Huambo or further north. On a ten-day visit to Unita-controlled areas we saw South Africans on seven different occasions, but always in a "support" role. *What* is impossible to know from here is how far south the South Africans have withdrawn.

The second point is that Unita forces, at least on the Huambo/Cangombe *sector*, are much better organised than we had thought. However, although they have some 120mm mortars and light anti-tank weapons, they have nothing to match the heavy artillery of the MPLA.

While there seems to be considerable enthusiasm *for* the fight among Unita officials and their army, we were constantly told of the need for heavy artillery. It seems very unlikely *without new armament of this* sort that Unita can withstand the MPLA.

According to the Unita Secretary-General, Mr. Nzau Puna, with whom we made the journey to the Queve River yesterday, the MPLA forces are presently just across the Queve's northern bank. The river runs between a breach in the Chitue Hill chain and is set in countryside of rolling, fairly rugged scrubland and wooded peaks. On the southern section of the hills one battalion of Unita troops (about 300 men embedded like seagulls) are facing the river. We walked past this well camouflaged front line along the tree-lined tarmac highway to the edge of the bridge, well and truly demolished, with one section lying completely sunk in the fast flowing river.

The *main* MPLA force, according to Mr. Puna, was in Quibala, about 80 km. away. But Mr. Puna *confirmed that* Unita *is* on the defensive. "We are on our own," he said. "The West will not help us, and the FNLA either run away or get drunk."

S. Africans 'continue to fight'

By Jane Bergerol

LUANDA, Jan. 27.

THE LUANDA Government, according to MPLA sources, is still convinced that South African forces are operating on the southern front in defence of the rival Angolan capital of Huambo and the Benguela railway line, despite yesterday's statement by the South African *Defence Minister* that his troops will be maintained "in the border area."

The Luanda Government spokesman said here that any *South African military presence* on Angolan soil is "completely unacceptable," and reaffirmed MPLA policy that South Africa must "immediately and unconditionally withdraw *its invading* force."

On the southern front, military sources said, the South African Army is still engaged against the MPLA troops and their Cuban artillery, advancing on a line running from Cela to Novo Redondo. Both positions were taken by the Luanda forces over a week ago, and independent journalists, from the West and from Socialist countries, have visited both towns.

The claim by a Unita spokesman that Novo Redondo is still in Unita *hands, but had been* attacked by MPLA Soviet-manufactured fighter-bombers, is correspondingly groundless, the MPLA claims.

The MPLA point out that the South African Government has always referred to its Angolan operations as being "in the border area," even when the South African troops were hundreds of miles *inside Angola* at Cela, which they used as a main air supply operational centre.

Similarly, in eastern Angola MPLA military sources say they are still engaged in heavy fighting against the South African, Unita and FNLA troops, but have not yet succeeded in re-taking the town of Luso on the Benguela railway line.

Pretoria 'indifferent' to outcome

BY JOHN STEWART

CAPE TOWN, Jan. 27

MR. HILGARD MULLER, the Foreign Minister, denied in Parliament here today that South African intervention in Angola had violated the principle of non-interference in the domestic affairs of other countries.

The Government of South Africa had been among the first to recognise Angolan independence, and it had been indifferent *about the outcome of the struggle* between the three liberation movements to achieve a dominant position in the government of the country, he said.

Nor had any foreign Government questioned the propriety of sending a small force to protect the civil works at Ruacana and *at Calueque after the transitional* government had failed to grant workers adequate protection.

Intensification of involvement became necessary, however, after guerilla strikes across the Namibian border, the discovery of large arms caches in the extreme south of Angola and, most important, the alarming extent of Soviet and Cuban sup*port for the MPLA.*

The Minister indicated that the decision to step up its Angola involvement was motivated at least partly by a sense of "our responsibility in Africa." He added that South Africa had had extensive consultations with "a number *of African States* and *other governments which* expressed grave concern about developments in Angola."

By its involvement, the South African Government had sought to protect the interests of the people on whose behalf the Kunene water scheme was being built.

"We also sought to gain time for the people of Angola to *enable them to solve their problems* without foreign intervention," he explained. Cuba and the Soviet Union had intensified their drive against FNLA and Unita because they had wanted to achieve an MPLA victory before the OAU summit at Addis Ababa earlier *this month.*

Whitlam wins leadership

CANBERRA, Jan. 27.

AUSTRALIA'S Labor Party today re-elected former Prime Minister Gough Whitlam as its parliamentary leader, despite challenges by two of his former cabinet colleagues.

Under fire from left-wing elements of the parliamentary caucus since Labor's devastating *defeat* in the general election six weeks ago, Mr. Whitlam easily won the leadership vote *at a meeting of Labour members* of both parliamentary chambers —the House of Representatives and the Senate. *Mr. Whitlam* received 36 votes on the first leadership ballot—22 votes more than his nearest rival, Lionel Bowen, former Minister for manufacturing industry.

The party caucus — Labor members elected to parliament *in the December 13 election* — also chose Tom Uren, the former Minister for Urban and Regional *Development, as deputy leader.* Mr. Uren won 54 votes to beat seven other candidates.

Mr. Whitlam's re-election was virtually assured before to-day's vote after he began campaigning.

Although he won easily to-day, his leadership was assured only until mid-1977. The Labor caucus decided all party positions should be contested every 18 months. *Reuter*

Algerian unit attacked in Sahara

BY JAMES BUXTON

THE CONFLICT in Western Sahara appeared yesterday to be escalating sharply with Algeria reporting "furious fighting" following an attack by Moroccan forces on an Algerian Army unit *inside the territory.*

At the same time the Polisario, the Algerian-supported guerillas *operating in the territory,* accused Morocco of launching a "brutal offensive" with "unprecedented savagery" against the people of the territory.

The attack on the Algerian unit was said to have taken place near Amgala, an oasis near *the Mauritanian border north of* the Sahara town of Guelta, and not far from the Algerian border. The Algerian Army unit was said to be carrying food and medicine for the local population. It is the first time the Algerians have *admitted that any of their forces* were in Western Sahara, and the first reported clash between *Moroccan and Algerian troops.*

At the week-end Morocco said that an F5 Air Force jet had been shot down by a SAM 6 missile over the territory last week, and inferred that only highly trained professional forces could have handled such *a weapon. However, although* the Algerian Government made no mention of the missile, sources suggested that it was more likely to be a SAM 7, a hand-held missile which can be operated by two men and could, *presumably, be handled by the* Polisario guerillas.

The Algerians said yesterday *that the Moroccan announce*ment about the aircraft was being followed by a "multiplication of initiatives on the ground where we now see a new state in the escalation of aggression against the Saharan people and of provocation against the *Algerian revolution.*"

U.S. tries to conciliate Arabs after UN veto

BY DAVID BELL

WASHINGTON, Jan. 27.

WITHIN minutes of vetoing the Palestinian resolution at the UN last night the U.S. put out a carefully worded conciliatory statement promising that America would redouble its search for peace in the coming months.

But neither this, nor the hint by Mr. Moynihan, Ambassador *to the UN, that the U.S. is still* very interested in finding some way for the Palestinians to participate in peace talks, can hide the fact that the veto has alienated the majority of Arab opinion just when the U.S. needs to carry as much moderate Arab thinking with it as possible. The State Department always expected that it would have to veto the resolution and that there would be an angry Arab reaction to it.

The vehemence with which the Syrians have reacted, however, *suggests that the U.S. may have* underestimated the strength of Arab feeling. If the Syrians mean what they say about having no more to do with any Geneva talks the U.S. has very little room in which to manoeuvre in the coming months. Privately U.S. officials concede that for the moment there is no clear way forward.

Dr. Kissinger may thus try once again during Mr. Rabin's visit—*he was welcomed to Washington by President Ford to-day* —to get the Israelis to offer some *kind of olive branch to the Palestinians* so that they can respond. But, unfortunately, the timing of the *Rabin visit will itself* do little to improve relations with the Arabs. It had been thought that the debate would be over some days before he arrived. Instead Mr. Rabin is to be feted by official Washington just when the U.S. must be anxious to re-assure moderate Arab opinion that it really does believe in a more "even-handed" policy in the Middle East.

In its statement the State *Department reiterated its conviction* that it was not reasonable for the Palestinians to expect the *U.S. to negotiate with the PLO if* it persists in not recognising Israel's right even to exist.

Israel rejects PLO presence at Geneva

By L. Daniel

TEL AVIV, Jan. 27.

FOLLOWING the U.S. veto in the Security Council last night, the next logical step would appear to be the reconvening of the Geneva peace conference. Israeli Premier Yitzhak Rabin *has made* it clear that Israel favoured this course but without the participation of the PLO.

Thus, if Syria insists on the PLO becoming a partner to the conference there will be deadlock. On the other hand Israel *has no objection to the Palestinians* being included as part of the Jordanian delegation.

There can be no doubt however that the U.S. will ask Premier Rabin for a political quid pro quo for last night's veto, during the talks which the *Israeli Premier will be having* in Washington.

In addition President Ford is believed to be willing to hold the threat of a one-third cut-back in U.S. military aid to Israel in 1977 (from \$1,500m. to \$1,000m.) over the Israel Government's head.

Observers here to-day voiced fears of a resurgance of Arab extremism following the Security Council debate, while the after*noon paper Maariv expresses* disappointment that Britain did not join the U.S. in the veto and that Romania, by its vote for the resolution, "crossed the line unequivocally and rallied to the support of the PLO."

British move dispersed pro-PLO votes at UN

BY OUR OWN CORRESPONDENT

UNITED NATIONS, Jan. 27.

FRANCE, whose posture in the Middle East dispute has long dismayed the Israelis, broke with the other Western European members of the Security Council, including her Community partners Britain and Italy, in the vote late last night on a *resolution to recognise Palestinian* rights to statehood and call for total Israeli withdrawal from occupied territory.

As expected, the United States, exercising its right of veto for the 13th time, killed the resolution, arguing that the action was *necessary* "*to* preserve the framework for negotiations" established in earlier texts.

However, what was not expected was that the draft sponsored by six Third World members would receive only three additional affirmative votes—of *France, the Soviet Union* and Japan—providing the bare minimum of nine required for its adoption if no veto had been cast.

This was a direct *outcome of* a last-minute British manoeuvre, which infuriated the sponsors and the *Arab members* and was sharply denounced by the Palestinian Liberation Organisation delegate, Mr. Farouk Kaddoumi.

When the Council was all set *to move on to voting on the* substantive resolution, after a fortnight of debate, Mr. Ivor Richard, the chief British representative, introduced without warning his amendment. This was to have the Council specifically reaffirm its Resolutions 242 of 1967 and 338 of 1973, which established the principles for a negotiated Arab-Israeli settlement and set the stage for the *Geneva peace conference.*

Britain has a special attachment to resolution 242 because it was the formulation, deliberately ambiguous in order to *command broad support, of Lord* Caradon, the then Minister of State in the Foreign Office and chief British delegate to the UN.

Only France, Italy and Sweden *joined Britain in supporting* the amendment. China and Libya voted against it, the U.S. and Japan were among the nine who abstained. The Americans were understood *to have objected* to the British move on tactical grounds.

In any event, the upshot was that voting on the definitive *resolution became much more* dispersed than would have been the case had there been no prior move to amend. Sweden and Italy, which had been expected to vote for the resolution, abstained, as also did Britain. There had been speculation that Mr. Richard *might join* Mr. Moynihan in casting a veto, but an abstention was always more likely.

THE resolution submitted to *the Security Council affirms:*

- That the Palestinian people should be enabled to exercise their inalienable national right and self-determination, including the right to establish an independent state in Palestine in accordance with the charter of the United Nations.
- The right of Palestinian refugees wishing to return to *their homes and live at peace* with their neighbours to do so and the right of those choosing not to return to receive compensation for their property.
- That Israel should withdraw from all the Arab *territories occupied since* June, 1967.
- That appropriate arrangements should be established to guarantee, in accordance with the charter of the UN, the sovereignty, territorial integrity and political independence of all States in the area, and their right to live in peace within secure and recognised boundaries.

The resolution decides:

- *That the provisions* contained in Paragraph 1 should be taken fully into account in all international efforts and conferences organised within *the framework of the UN for* the establishment of a just and lasting peace in the Middle East.
- To convene within a period of six months to consider the report by the Secretary-General regarding the imple*mentation of this resolution,* and in order to pursue its responsibilities regarding such implementation.

HOME NEWS

Three N. Sea financing deals likely to be completed soon

BY RAY DAFTER, ENERGY CORRESPONDENT

THREE North Sea financing deals, involving a total of almost £400m., are expected to be completed shortly as spending on offshore production reaches a peak.

Development of proven commercial fields in the U.K. sector is expected to be around £1.85bn. this year as against some £1.57bn. last year and £1.35bn. projected *for 1977.*

Five new fields are due on-stream this year, including major finds like Brent and Piper, with another four due to start up the following year.

In addition, the major Anglo-Norwegian Frigg field is due to start *producing gas for the U.K.* in October next year.

Financing for Frigg, involving some £175m., is being arranged on the Euromarket. However, conclusion of this deal is likely to follow behind the raising of £75m.-£80m. by London and Scottish Marine Oil *(LASMO)* and Scottish Canadian Oil and Transportation (SCOT).

These two companies are expected to issue unsecured loan stock and a new form of equity to help finance their share of the Ninian Field development.

It was expected that another financing deal, this time for the Claymore Field, would be announced this week, but it seems final agreement will not be reached before February 4.

A loan of some £140m. is being arranged in two parts for Occidental Petroleum and Thomson Scottish Petroleum by a group of banks led by the International Energy Bank and the Republic Bank of Dallas.

They also arranged the \$250m. of loans in late 1974 for the development of the Piper field, about 20 miles from Claymore.

The latest financing exercise—involving \$175m. for Occidental and \$100m. for Thomson—is particularly interesting, as it is *linked to some extent to the* Piper development.

In effect, oil revenue from the promising *Piper discovery* is being used in some measure as collateral for the Claymore deal.

It is suggested in banking circles that Thomson may be *surrendering a percentage of its* stake in the revenues to be derived from the Claymore field together with a further interest in the Piper Field.

Down payment

Another financing *deal* which has still to be clarified is the amount Burmah Oil is to receive from the Government for its assets in the Ninian Field. So *far, Burmah* has received a down-payment of £40m.

However, these negotiations are complicated by the much wider issue of participation agreements. The centre of these discussions between individual oil companies and the Depart*ment of Energy*, now seems to be centred on the Thistle Field, of which Burmah is the operator.

It is still not clear whether Burmah will sell all or some of its assets in Thistle to the Government, or whether it will merely agree participation terms.

This is the year when the bulk of development expenditure on Thistle has to be faced by the consortium members. So far between a quarter and a third of the field's £400m. development costs have been spent.

The picture is further complicated *by* a reassessment *of* where the Thistle reserves lie.

Until recently, it was thought 84 per cent. of reserves were in Block 211/18, operated by the Burmah Group with *just* 16 per cent. in 211/19 in which the British National Oil Corporation, Gulf and Conoco each have a third stake

Now it is felt that 91 per cent. of reserves lies in the Burmah block with just 9 per cent. in 211/19.

Fears grow for shipyard jobs as orders ebb away

BY JOHN WYLES, SHIPPING CORRESPONDENT

A GRIM WARNING that "a substantial volume of orders" will be needed this year to stave off a threat to jobs in Britain's *shipbuilding* industry accompanies the publication to-day of figures which show that new orders placed *with British yards* last year were the lowest since figures were first published at the end of the Second World War.

According to the Shipbuilding and Repairers National Association only 45 ships totalling 67,000 *gross tons were ordered in 1975* compared with 152 making 862,000 gross tons the year before, and 193 at *4.3m.* gross tons in 1973.

With its shipbuilding and aerospace nationalisation legislation presently going through Parliament, these figures will make worrying reading for the Government which is bound to come under increasing pressure to take steps to try and increase the volume of orders.

Mr. Ross Belch, the *SRNA* president, said yesterday that 1976 was going to be a "very worrying year." He urged the Government to consider moves to *stimulate orders*, including a scheme for building ships for stock.

Most British shipyards have orders which will carry them through until 1978. But without new business, all will have to start shedding labour long before then. In some cases, notably the Government-owned Govan Shipbuilders, this process could start by the middle of the year.

With the total order book now standing at 263 ships totalling *4.94m. grt the SRNA says that* "while the total order book remains reasonably strong, it is nevertheless *obvious* that with an average annual output from British yards of 1.2m. tons, a substantial volume of orders will be needed this year if full employment is to be maintained."

A principal reason for the dearth of orders is the lack of *traditional support from British* shipowners. Last year many were unable to resist the attractions of Japanese yards where quoted prices have been as much as 40 per cent. below British levels.

Usually, British owners place *30 to 35 per cent.* of their orders in home yards but this slumped last year to 11 per cent., amounting to *43,000* grt. British owners are presing the Government to extend the cost inflation scheme available for export orders to all domestic shipbuilding contracts and this is being considered in Whitehall.

Although several British yards *have a reputation for poor productivity* and failing to meet delivery dates, the overall order *shortage* is common to most European shipbuilding companies.

With Japanese yards now capturing the major slice of world orders. European shipbuilders are urging Japan to reduce its shipbuilding capacity and to ease *its aggressive pricing policies.*

Unionists modify coalition stance

By Giles Merritt

BELFAST, Jan. 27.

FAINT HOPES that Ulster's political deadlock may soon be *broken were aroused here to-day* with the news that party leaders have opted for inter-party talks on coalition government. The decision by the United Ulster Unionist Coalition leadership to take part in discussions on partnership government involving *the Catholic minority represents* a marked softening in its attitude.

Further consideration of a temporary coalition was urged just a fortnight ago by Mr. Merlyn Rees, Northern Ireland Secretary when he told the House of Commons that the UUUC's majority Convention report was unacceptable. At that time, Unionist leaders indicated that the coalition might boycott any further proceedings in the Convention if they entail taking a fresh look at the power-sharing issue.

Tactical ploy

With the 78-seat constitutional Convention now due to meet again next Tuesday for the *month-long* "*second phase*" decided by Mr. Rees, the UUUC has apparently backed away *from its hard-line position.* The signs are, however, that the Loyalist move is more a tactical ploy than a genuine climb-down that could lead to the mainly Catholic Social Democratic and Labour Party being involved in government at Cabinet level.

The rank and file of the UUUC's 40-strong Convention party remains largely behind Democratic Unionist leader, the Rev. Ian Paisley's determined rejection of the SDLP as coali*tion partners and the move to* restart inter-party talks most probably stems from a desire to head off further confrontation with Westminster.

There are also strong grounds for supposing that the inter-party talks will be used to cloak the UUUC's continuing informal negotiations with two of Ulster's moderate political parties of a *coalition grouping that would* exclude the SDLP.

Construction orders lowest for six months in November

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

NEW ORDERS for the construction industry fell to their lowest point for six months in *November, with all sectors hit* by the downturn.

Latest figures from the Environment Department confirm the continuing recession in the industry and provide no hope that 1976 will be any better than the previous year.

The Building and Civil Engineering Economic Development Committees said last week that output *this year was likely* to be 2 per cent. lower than in 1975—down 6 per cent. in turn on the previous twelve months.

Industry leaders are continuing their efforts to obtain Government help in boosting output. Although the series of measures *being planned to help alleviate* unemployment may provide some assistance for building, there are few hopes that this will be of a substantial nature.

Unemployment in the industry is now estimated at nearly 200,000. The figure may well be more than 250,000 when workers in ancillary trades are included.

According to the Environment Department's provisional figures, the value of orders received by contractors in November fell to only £468m. at current prices—the lowest monthly figure recorded since May and £135m. down on the previous month.

Housing

Council housing orders dropped from £123m. in October to £112m., while in the private *sector, contractors took business* worth £93m. against £113m. *Orders in the public works* sector fell from £232m. to £166m.

New business in the private industrial sector was only £37m. in November against £50m. the preceding month while private commercial work came to £59m. against £85m.

Too much significance should not be read into the November *figures alone—October was* a particularly encouraging month—but there are still few signs of an underlying improvement in activity.

While housing orders in both private and public sectors continued to show significant improvement over the previous year, private industrial orders were 56 per cent. down on a year *earlier and private* commercial orders 9 per cent. lower.

Paper industry 'may become more concentrated'

BY LORNE BARLING, INDUSTRIAL STAFF

THE world paper industry, now remarkably fragmented for its *size and free from multi-national* ownership, may soon be faced with a greater concentration of ownership, one of the U.K. industry's leaders warned yesterday.

Mr. Tom Corrigan, chairman of Inveresk and president of the British Paper and Board Industry Federation, suggested that this could be accomplished *within the industry, perhaps* across national frontiers or by the action of another large and richer industry.

He said that the enormous financial resources needed to meet an increasing demand for paper may be made available only from larger organisations or in joint ventures.

It was also possible that if *some fundamental changes* in paper-making became feasible—such as biological processes—the *oil or chemical industries could* become involved in the pulp and paper industry.

"If this were to occur I think it likely that such larger groupings would expect to own or at least effectively control many of the distribution channels and *possibly certain converting* operations," he said.

"In some countries Government investment, direct or indirect or by subsidy, or even nationalisation has already occurred and there may be more examples in unexpected places."

Mr. Corrigan pointed out the disadvantages of fragmented ownership, which he said resulted in the slower withdrawal of older producing facilities. On the other hand, larger mills suffered from lack of flexibility in their scale and speed.

Speaking in London to the Worshipful Company of Stationers and Newspaper Makers, he also warned of the dangers in becoming too reliant on external sources for paper supplies.

Representatives of the U.K. paper industry had talks yesterday with Mr. Peter Shore, Trade Secretary, aimed at changing the *import quota system* which allows imports from former EFTA countries to increase by 5 per cent. a year.

The industry argued that the duty-free quotas should increase and decrease with market conditions and not just be raised annually, and that the U.K. should have equality of treatment with its competitors in the EEC.

State acts on service agreements

THE GOVERNMENT yesterday *formally laid the order requiring* the registration of all service agreements with the Office of Fair Trading.

The order, foreshadowed last month, will come into operation on March 22.

Existing agreements covered by it will have to be registered by June 21 unless they are abandoned before then.

The order covers virtually all collusive agreements operating between two or more companies *in relation to the supply and* acquisition of the whole range of services.

IN BRIEF

Fidelity Life

A decision will be given to-day on a point of law which is holding up interim payments to certain policyholders with Fidelity Life. No payments have been made since provisional liquidation last July.

Atlantic travel

This year could be the first in which 1m. Britons cross the Atlantic. Almost half will holiday in Canada. Estimates of a 5-10 per cent. rise in charter traffic could well be outstripped with the prospect of a 30-40,000 seat surplus.

Schools decide

Only 51 of the 170 direct-grant grammar schools in England and Wales have opted to join the State's proposed comprehensive secondary schooling system. The schools—33 for girls, 17 for boys, and one mixed—are mostly Roman Catholic institutions. The remainder will become fully *independent.*

Leasing grows

Leased assets in the U.K. rose more than £340m. last year to £1.4bn. The Equipment Leasing Association representing more than 90 per cent. of the U.K.'s leasing capacity, said its members collected a record £280m. *in rentals compared with* £222m. in 1974. The number of leased contracts on their books at the end of 1975 was 324,000.

Wheels turning

Motorcycle production has been re-started by Norton Villiers Triumph. About 100 mopeds are being assembled at Shenstone, Staffs. Built from components brought in from Italy, moped production is expected to reach 10,000 a year.

Deflated

Avon Rubber has dropped its safety wheel project after a £420,000 loss in its first year. Sales reached *only* £97,000.

Seal Sands

Chemicals producer Rohm and Haas has shelved an £8m. scheme to expand output at its Seal Sands, Teesside, plant because of weakness in demand from the plastics industry.

New cars

Mercedes-Benz is introducing nine new cars in its 2.0 to 2.8 litre range. The styling owes something to its bigger cars.

SNOW REPORTS

	Depth (cms.) L	Depth (cms.) U	State of Piste	Weather	°C
Andermatt	73	185	Good	Snow	−8
Arosa	104	130	Good	Fine	−12
Crans	50	70	Good	Fine	−14
Flaine	80	160	Good	Snow	−6
Flims	43	99	Good	Fine	−10
Igls	10	60	Fair	Sun	−7
Isola 2000	90	120	Fair	Fine	−11
Klosters	105	165	Good	Fine	−11
Niederau	35	75	Icy	Fine	−4
St. Anton	65	275	Good	Fine	[illegible]
Sauze d'Oulx	4	25	Good	Cloud	[illegible]
Tignes	40	90	Good	Fine	[illegible]
Verbier	30	110	Good	Snow	[illegible]

In the above reports, supplied by the Ski Club of Great Britain, L refers to lower slopes and U to upper slopes. The following reports have been received from other sources:

SWITZERLAND					
Adelboden	40	70	Good	Sunny	−11
Arosa	104	130	Pwdr	Cloud	−17
Davos	110	130	Pwdr	Sunny	−17
Grindelwald	40	110	Pwdr	Sunny	−13
Gstaad	20	80	Pwdr	Sunny	−17
Klosters	100	150	Pwdr	Sunny	−12
Les Diablerets	35	85	Pwdr	Sunny	−26
Muerren	80	110	Good	Sunny	−12
Pontresina	40	75	Hard	Sunny	−21
St. Moritz	40	60	Pwdr	Sunny	−20
Verbier	40	110	Good	Sunny	−15
Wengen	50	110	Pwdr	Sunny	−12
Zermatt	45	90	Pwdr	Sunny	−12
GERMANY					
Berchtesgaden	20	120	Good	—	−2
Garmisch	11	80	Good	Fine	−12
Hindelang	30	100	Good	—	−6
Oberstdorf	36	180	Good	Fine	−12

SCOTLAND

Cairngorms—Most runs complete on lower slopes. New snow. Vertical runs 1,800 feet. Fine.

Glen Shee—Most runs complete. Powder snow. Lower slopes. [illegible] Vertical runs 1,000 feet.

Forecast: Mainly dry and bright with occasional snow.

هكذا صدر الأصل

HOME NEWS

Sir Alec Merrison to head Royal Commission on NHS

BY DONALD MACLEAN

IR ALEC MERRISON is to e chairman of the Royal Comission on the National Health ervice, which will conduct the rst full and independent quiry into the service for ore than 20 years.

Sir Alec, 51, is a physicist nd vice-chancellor of Bristol niversity.

Mr. Harold Wilson, the rime Minister, told the House f Commons yesterday that her members of the commison would be named "as soon s possible."

The decision to set up the oyal Commission was nnounced in October against e background of Government oposals to separate private spital beds from the National ealth Service.

The Government's plan to go ead with legislation to back ese proposals has been hind a dispute between it and hospital consultants. Since December 1, consultants have been under British Medical Association instructions to carry out only emergency treatment.

The BMA has held a ballot of consultants on whether to accept proposals put forward by *Lord Goodman on the issue* of phasing out private practice. The result of the ballot is expected to come before the Association's central committee for hospital medical services meeting on February 12.

Although the consultant' action is continuing, action by junior doctors on the separate issue of overtime has been *suspended*, while a new agreement based on auditing of overtime pay is being considered.

The appointment of Sir Alec Merrison was welcomed last night by the British Medical Association. Sir Alec was chairman of the committee of inquiry into the regulation of the medical profession, which published a report last April.

The royal commission's terms of reference are: "To consider in the interests both of the patients and of those who work in the national health service the best use and management of the financial and manpower resources of the national health service."

Our labour staff adds: Representatives of 1,000 junior doctors in south-west England yesterday lobbied MPs and handed in a letter to the Prime Minister protesting against the plan to phase out private practice from the national health service.

Junior doctors want the matter referred to the royal commission.

Airlines seek 10% on internal fares

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

CREASES averaging 10 per t in fares on many domestic routes are being requested by 12 airlines involved, including British Airways and British edonian Airways.

lthough the rises sought do cover the major trunk routes ween London and Glasgow, nburgh and Belfast, it is exted that the airlines will ly for increases of a broadly ilar amount on those routes oon as certain appeals on outiding fares issues are lved.

he rises cover the lesser air es throughout the U.K., which ertheless carry a substantial ime of traffic annually.

ises of 5 per cent. are being ght, for example, between don and Newquay; Glasgow the Western Isles; and Birgham to Aberdeen and Inver-. Between London and castle, Aberdeen and Inver-, the rise sought is 7½ per .

n certain Scottish internal ices and some routes to Bel- the rise sought is 12½ per .; to the Shetlands and most he Scilly Isles routes it is 15 cent.; to the Orkneys 20 per . and on the Newquay-Scilly s route 30 per cent.

So far as the Channel Islands are concerned, the increases sought amount to a flat £2 single from London, Lydd and Glamorgan; £1.50 from Manchester and Liverpool; and £1.30 from Bournemouth. No rises are sought on the routes between the Channel Isles and Aberdeen, Humberside, Cambridge or Norwich.

On routes to and from the Isle of Man, it is proposed to raise fares by £1 one-way and £2 return.

So far as the major trunk routes are concerned, the argument over the so-called "Gatwick differential"—a cheaper rate out of Gatwick to Scotland to enable British Caledonian to compete with the British Airways' Shuttle flights—is still in progress, with a decision awaited from Mr. Peter Shore, Secretary for Trade, on British Airways' appeal against that decision.

The rises now sought are the second in recent months. Fares went up by 15 to 28 per cent. last November 1, as part of the policy of the Civil Aviation Authority to bring domestic air routes back to profitability. Hitherto, collectively they have been losing several million pounds a year.

PROPOSED FARE RISES

Tourist one-way:	Present fare £	Proposed fare £
London-Newquay	17.50	18.40
London-Newcastle	19.90	24.40
Aberdeen-Norwich	27.30	30.10
Isles of Scilly-Penzance	5.80	6.70
Edinburgh-Belfast	14.50	16.40
Southampton-Belfast	23.70	26.70
Glamorgan-Isle of Man	15.70	16.70
Newcastle-Jersey	24.80	26.30
Coventry-Jersey	18.60	20.60

'Shuttle' numbers rise by 25%

By Michael Donne, Aerospace Correspondent

THE *LONDON-GLASGOW no-reservations* shuttle service run by British Airways carried 595,476 passengers last year—its first year of operation — or 4 per cent more than were carried on the route in the previous year by conventional jet services.

More significant is the fact that over the last half of last year, the popularity of Shuttle *increased dramatically*, with the number of passengers up by 25 per cent. on the last six months of 1974.

Mr. Roy Watts, chief executive, said that the airline was "well out of the experimental stage" with Shuttle, and talks on an additional Shuttle between London and Edinburgh this summer were in progress.

Oil leaders wait as petrol war spreads

By Ray Dafter, Energy Correspondent

MAJOR oil companies are watching anxiously as the petrol price war spreads south. In particular they are watching each other to see if any of the big suppliers extends discounts to retailers.

There is plenty of evidence that cheap *petrol is available in* the south, particularly around London, but discounts are being offered without support from the major suppliers.

The cut-price offers, which in some cases have reduced the cost of four star petrol to below 70p per gallon, occur on forecourts either supplied by smaller independent companies or at garages where the dealer is accepting cuts in his own margins.

If the competition intensifies, as in the Midlands and the North, major suppliers like Esso, BP and Shell may be forced into supporting their dealers through special discounts.

BP denies Concorde boycott

BP DENIED suggestions yesterday that it had banned its staff from using Concorde. The company said that on the contrary, BP's policy is to use Concorde when the saving in time justifies the extra cost, "which it expects will frequently be the case for travel by senior executives and for visits of particular urgency.

"BP will be using the existing routes on this basis. As services to other areas such as North America, South East Asia and Australasia become available, BP looks forward to making the fullest use of the saving of time travel by Concorde will offer."

Call for inquiry on coal trade profits

BY OUR INDUSTRIAL STAFF

E Price Commission has urged coal trade to consider the e differences in profit ben traders to see whether es can be lowered.

ommenting yesterday on the mission's report into the ribution of domestic coal and d smokeless fuel, Sir Arthur field, chairman, said that, in ral, profits were *moderate*.

owever, the Commission had overed wide variations in es and in net profits between trader and another. It was cult to explain this on a ual basis and it indicated erfections in the market, Sir hur maintained.

he Commission is asking the le to consider what can be e to lessen such differencees suggests that at the top he range their could be room some reduction to help bring es down. However, Sir Arthur l it was impossible for the nmission to judge how much plus profit there was to bite .

he Commission also points out t the allocation system used the National Coal Board at *time of that inquiry* tended liscourage competition. In any y system of allocation, the ds of consumers and the effect on prices should be taken into account.

Though average profit margins were found to be moderate, the Commission is to continue monitoring the prices of domestic solid fuels for the next few months.

This action is considered necessary because further changes in *prices since ctober 1* have yet to be fully assessed and net profit margins in the six months to March 1975, were increasing.

The report says that any arrangement whereby prices are effectively, if sometimes only informally, agreed should be ended. Evidence of such arrangements was found in some districts where a relatively uniform price tended to prevail.

The issue *has been reported* to the Office of Fair Trading which said last night that it would be writing to the relevant coal trade associations asking for any agreements to be terminated immediately and details forwarded. The Office would then decide whether the agreements could be registered or referred for a ruling to the Restrictive Practices Court.

Distribution of Domestic Coal and Solid Smokeless Fuel, Price Commission; S.O. 65p.

Tenders for satellites invited

By Michael Donne, Aerospace Correspondent

COMPANIES IN the U.S. and Western Europe interested in building satellites are to be asked soon to quote for the development of two spacecraft to provide communications between transoceanic aircraft and the ground.

The value of the contract will be about $50m., and it is likely to be contested by the three big international groups of companies in this business — Mesh, *which includes Hawker Siddeley* Dynamics of the U.K., Star which includes British Aircraft Corporation; and Cosmos which includes GEC-Marconi in the U.K.

The planned satellite system is called Aerosat, and is designed to test the possibilities of establishing a permanent global system of satellite communications between long-distance aircraft and the ground, thereby easing the growing burden on existing aeronautical telecommunications.

Search for Irish Sea gas to restart

BY RAY DAFTER, ENERGY CORRESPONDENT

ITISH GAS is due to resume search for gas in the Irish Sea hin the next fortnight.

ts exploration subsidiary, drocarbons Great Britain, is restart drilling operations ne 30 miles off Blackpool hough the exact location has t yet been *announced*.

n its three-year exploration gramme the group has eady encountered some gas— flaring could be seen from neashire resorts—but the comrcial potential of the finds has t been disclosed. "It is too rly to give any decisions on ether the finds are commer-l," a spokesman commented.

Hydrocarbons is due to take r the operation of the Offore Mercury rig early next nth. This rig is sinking the st well on block 112/30, south-east of the Isle of Man, for the Cluff/Celtic group. The group comprises Celtic Basin Oil Exploration (86 per cent.), Cluff Oil (4 per cent.) and Norminol U.K. (10 per cent.).

British Gas also indicated yesterday that it was beginning to offer contracts to new industrial customers, for when *the major* Anglo/Norwegian Frigg Gas Field comes on stream late next year.

It is anticipated that in this current financial year British Gas will be selling 4bn. cubic feet a day of natural gas from the North Sea. The Frigg Field, being developed by non-British companies with the French *groups* Elf-Aquitaine and Total acting as operators, is expected to supply up to 1.2bn.-1.5bn. cubic feet a day within a couple of years.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● TEXTILES

Spinning a better yarn

TEXTILES manufacture is progressively becoming ever more mechanised, although it will be a long time before it can be *described as automated*.

Most yarn in the world to-day is being produced on classical ring spinning machines. A sliver is fed into a drafting system in which it is attenuated and then it is given twist by a traveller revolving on a ring, before being wound up on to a bobbin or cop as yarn.

Most modern plants have overhead travelling cleaners which *pass down ring spinning* machines and blow from above and suck from below, so removing loose fibres and "fly" which would otherwise tend to clog the machines. These overhead travelling cleaners are automatons and constantly travel round the frames.

One of the major suppliers of such equipment is Parks-Cramer (G.B.) (Suthers St., Oldham OL9 7TF. 061 652 3416) and now it has introduced a new piece of equipment which should be of considerable help in improving spinning room efficiencies. The equipment is designated EDL/RFS which means ends down locator and roving feed stop system. It is mounted on the travelling cleaner and the gantry supporting the cleaner is used to supply power to the unit and to feed back signals from it.

Situated between the blower and the lower vacuum extraction unit are two solid-state sensors which scan each spin*ning position and can detect* when an end of yarn is broken. Normally this will be checked 8 times every hour as the cleaner travels round the room.

Signal

When the sensor detects a broken end it activates an air gun which is aimed at the point being scanned. This fires a short *blast of air* and so activates a signal mounted on the spinning frame. A bright red flag indicator pops up and in so doing it causes the unit to pivot and grasp the roving or sliver which is stopped. The residual amount of roving is then drawn into the drafting system and the roving is thus broken.

Fibre is sucked into the vacuum extractor unit mounted on the *frame. It also means* that the danger of sliver lapping round the rollers is minimised.

A light is illuminated on the ends of the frame to signal a travelling patrol of the fault which can at once be located by the red flag signal. At key points in the spinning room a similar signal is illuminated to show the pattern of faults on the frames and likewise there is a *display* in the spinning room manager's office, so providing him with an overall view of the efficiency of the room.

Should a frame reach a level *that is unacceptably high* with spindles out of operation the lights begin to flash intermittently.

Clearly this new system is also able to serve the mill more usefully than this in that it can feed data into a data collection terminal and it is an easy matter for comparisons to be made between shifts simply by comparing respective print-out of data for each *shift*.

The computerised system can also show the weight of yarn spun in a shift; the percentage running time; the efficiency of frames and also it can serve to monitor and report on the number of new end down per thousand spindle hours; the end put up (repaired) per thousand spindle hours and also the average number of ends down when a frame is doffed.

In other words, it is now feeding information into a small data processing unit that is able to process this and supply management with immediate and meaningful information. It may also be programmed to collect data on particular frames so that modifications, improvement or even new spinning batches may be analysed and reported on very quickly.

● PROCESSING

Cleaner and timer for watches

TO BE introduced by the recently formed horological division of Portescap U.K. at the forthcoming International Spring Fair at Birmingham (February 1 to 5) are units for cleaning and timing movements.

Vibrasonic Automatic is a programmable watch and clock movement cleaner enabling up to 12 movements at a time to be cleaned, rinsed and dried without the need to disassemble any parts. Cleaning is by a combination of chemical and dynamic action in which the watch is immersed in a fluid and subjected to subsonic waves.

Also being introduced is the 474P digital watch timer for electronic quartz crystal or tuning-fork movements. It has a large Nixie tube display providing a reading accuracy of 0.01 secs/day for electronic watches, 1.0 sec/day for mechanical. An important application will be for point-of-sale displays and demonstrations. More from the company at 204, Elgar Road, Reading RG2 ODD (0734 861485).

● HORTICULTURE

Plants stay moist and thrive

HYDROPONICS—soilless culture of plants—is not new and no futuristic space travel story would be complete without some reference to it. But it is not an easy technique for many reasons, not the least of which is the problem of standard solutions and of maintaining water quality.

Following extensive research by Bayer of Leverkusen, West Germany, and Thomas Rochford and Sons of Turnford Hall Nurseries, Broxbourne, Herts., a growing system has been developed specifically as an alternative to the potting of plants for homes, hotels, office buildings and so on.

It permits these improvements to the indoor environment to thrive on healthy neglect since watering from once in every three to once in six weeks is all that is needed to keep them flourishing.

The *secret of this development*, which means that most plants will happily survive the owner's absence on holiday, is the Bayer ion exchange resin Lewatit HD5, which contains all the important nutrients for plants, and improves water containing chloride and lime to keep it more favourable to plant growth over a long period.

Pellets

Lewatit HD5 is a polystyrene resin insoluble in water, in the form of tiny pellets. With regard to usage, it is added at the same time as the water, ½-litre per 1-sq. metre of cultivation being sufficient to ensure correct plant nutrition for six months.

In brief, the ion exchanger releases all the nutrients in a form in which they may be used immediately by the plant. These include nitrogen, phosphate and potassium as well as valuable trace elements. In exchange, it absorbs salts contained in the water which are of no use to the plants—such as common salt and calcium carbonate.

As the plants take their nutrient needs from the ion exchanger according to their individual requirements, plants with differing needs can live happily side-by-side in a single large container. There is no risk of too little or too much nutrient, or of damage through too high a salt concentration in the water.

Further details from Thomas Rochford on 024 03 4006.

● WELDING

Shielding gas cost reduced

AT R. A. LYCETT, Tamworth, a bulk liquid argon/carbon dioxide welding gas system has been installed by Air Products, St. George's Square, New Malden, Surrey (01-942 2424). Lycett previously used carbon dioxide shielding gas.

A bulk liquid argon cryogenic storage tank—built and installed by Air Products' manufacturing facility at Acrefair, Clwyd—and a carbon dioxide manifold are situated outside the factory. The liquid argon is vaporised and mixed with carbon dioxide in a mixing panel and the shielding gas piped to drop points in the factory.

Previously the company required a storage area for 30 to 40 gas cylinders, and this space saving, together with elimination of cylinder handling by the welders, and of related stock problems and paperwork, has achieved savings for Lycett and simplified the welders' gas supply.

Air Products says that companies using 500 cu. metres or more shielding gas each month (60 to 70 cylinders) would save 15 to 20 per cent. *of total gas* costs by changing to a bulk argon supply. The cost for the associated pipework (including points for, say, 25 welders), together with the mixer and manifold (if carbon dioxide mixes are required) would be about £1,500, plus a rental for the cryogenic tank, which would be installed by Air Products (tank capacities range from 900 *to 40,500 cu.metres*). Carbon dioxide is not supplied in bulk by the company.

Another cost saving development in this field is a 160 litre, high vacuum, cryogenic vessel made by Statebourne (Cryogenics), Parsons Industrial Estate, Washington, Tyne and Wear. NE37 1HB (0632 464104) for the storage of liquid argon. It contains gas equivalent to that in 15 high pressure cylinders.

The vessel is on castors for mobility, and the gas is drawn off through an integral vaporiser which raises its temperature to near ambient. The company says each vessel can supply up to four TIG welding sets or two semi-automatic MIG sets working on a continuous duty cycle.

● ELECTRONICS

ITT absorbs component company

ALL the shares of Erie Electronics have been acquired from its U.S. parent by STC-ITT and the company will now form part of ITT Components Group Europe.

Since the ITT group's products are mainly for professional electronics use, Erie's output will be complementary, consisting as it does of ceramic capacitors, wound capacitors and resistors for domestic TV, radio and hi-fi.

Erie Technological Products in the U.S is believed to have disposed of the U.K. subsidiary for cash reasons, although it is known that the Great Yarmouth-based company has almost halved its work force (from 4,000 to 2,300) since March, 1974, to *remain profitable in a depressed* consumer electronics market.

No major management or product changes are planned for the moment, the main object being to strengthen Erie's access to European markets via other ITT houses and increase the turnover from its present level of about £13m.

● COMPONENTS

Service to vacuum users

ORGANISATIONS using vacuum systems and components, such as diffusion pumps, turbomolecular pumps, rotary vane pumps, Roots pumps, and the associated control systems, valving, and pipe work, are offered a "vacuum in a package" deal by Balzers High Vacuum, Northbridge Road, Berkhamsted, Herts., HP4 1EN (04427 2181).

The customer sets out the parameters of a vacuum system, and Balzer, under a free advisory service, puts together the optimum package (pump, controls, etc.) and quotes a price. Depending on the size of the order, using a new voucher scheme, the company is offering a discount of up to 17½ per cent. on the list price of off-the-shelf *components*.

The equipment is made in Europe and supplied from the parent company in Liechtenstein —Balzer says almost any item can be delivered in under ten days. The company is mailing details of the scheme to 4,000 potential U.K. customers next month.

● COMMUNICATION

Switch for data

AFTER the PABX comes the PACX, or private automatic computer exchange, a separate system that should be attractive to those who are at the moment using their PABX to switch on-site data, thereby often placing a considerable burden upon it.

The Case 640 PACX provides access to computer ports from data terminals on a first-come first-served basis. But it allows all the terminals to be permanently connected using customer-owned lines and Case local data sets rather than Post *Office modems*.

Instead of dialling a number to gain access to the computer, the terminal user selects the class of service he needs from the computer by using switches located on his local data set. The PACX then connects him to an appropriate computer port or asks him to try again. Users not on site can use the system via Post Office modems operating over leased lines.

Two versions are available: the 640 supports asynchronous terminals at any speed up to 4800 bps while the 640/2 supports both synchronous and asynchronous terminals up to 9600 bps. Both versions provide access to 126 computer ports from up to 254 terminals. Computer and Systems Engineering is at Harefield Road, Rickmansworth, Herts. (Rickmansworth 74251).

PARLIAMENT

Empty flats Bill wins First Reading

A BILL to allow local authorities to requisition houses or flats left empty for more than six months without good reason, was given its first reading by 224 to 184 votes in the Commons.

Mr. Frank Allaun (Lab, Salford E), who introduced the Requisitioning of Empty Properties Bill, told the House that *800,000 houses and flats* were empty and many had been unoccupied for years. "This is a national scandal at a time when the housing situation is so *desperate*."

His Bill allowed certain exemptions from the right of *authorities to requisition—such* as the homes of British servicemen serving overseas.

"Property owners are often holding out for a high selling price or a high rent. In some cases, capital appreciation may more than compensate for the *loss* of rent on a vacant property.

"The effect of this Bill would be to give *owners of vacant properties* an incentive to rent or sell them quickly at more reasonable rents or prices, and thus ease the acute housing problem affecting millions of men, women and children. People must come before property."

Opposing the Bill, Mr. Nicholas Ridley (C., Cirencester and Tewkesbury) said the Prime *Minister*, the Chancellor of the Exchequer and the Secretary of State for the Environment would not thank Mr. Allaun for introducing such a Bill.

They all owned second homes which were empty often for six months at a time.

Requisition was "no more than a military term for stealing" and that was what this Bill was trying to make legal.

CLOSED SHOP DEBATE

Foot gives pledge on individual rights

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT last night promised to bring forward further *legislation if it were* found that the closed shop provisions established in the controversial Trade Union and Labour Relations (Amendment) *Bill failed, in practice, to give* adequate protection to the rights of the individual.

Mr. Michael Foot, Employment Secretary, made this *clear when his controversial Bill* came once again before the Commons, nevertheless insisted in a clash with the Tories that the Government's provisions gave *adequate safeguards*.

THE Government defeated by a majority of 26 (280-254) an Opposition attempt to put a statutory safeguard into the Bill *to cover situations where* workers had been expelled from their unions—putting their very livelihood in peril.

Mr. Foot, rejecting the *Opposition's proposals for such* cases to go to a special industrial tribunal, maintained that the independent machinery of *the unions, along with the TUC's* offer to set up an appeal of last resort procedure, would ensure justice.

Mr. James Prior, Opposition *Employment Spokesman*, said that the remedy of "swift and efficient recourse to an industrial tribunal," which would be removed by the Bill, represented *the Opposition's main objection* to the Government's proposals.

He urged a compromise, requiring the worker to make use of his union or TUC internal *procedures before seeking* an independent hearing.

But Mr. Foot said that the Government wished to leave the question of appeal to voluntary *methods* under the TUC.

The Opposition had singled out unions and their members for special liability under the law rather than leaving it to common law and non-statutory remedies which were available.

The TUC were to set up a review committee with an independent chairman to deal with exclusions and expulsion complaints. The Conservative proposal was a reflection about the way unions would go about conducting their affairs.

Mr. Foot said that if the procedure set up under the Government was found to be unsatisfactory in the protection of the individual, *Parliament* would certainly have to think again. "I have never denied that if closed shops were to grow, some protection must be provided."

The Government and the TUC were genuinely seeking the best method of protection. "This machinery offers the best chance *for individuals* to get back their jobs."

Mr. Barney Hayhoe, for the Opposition, said that *the* Government's proposal removed a vital safeguard on individual liberty.

Tory Peers will fight on

BY JOHN HUNT

THE CONSERVATIVES intend to maintain their stiff opposition to the Trade Union and Labour Relations (Amendment) Bill *when it returns to the House of* Lords for second reading in about two weeks time.

The Tory Peers will continue their defiance despite the fact that the legislation has been re-introduced by the Government after having been thrown out by *the Lords last year*.

The Government has invoked the Parliament Act to ensure that *the Bill becomes law by autumn* at the latest even if the Lords reject it once again. However, Conservative peers are determined to appose it in an effort to *make the Government change its* mind over the closed shop provisions and the Press freedom *issue*.

The main Tory attack in the Upper House will concentrate on the right of workers to refuse on the grounds of conscience to join a union in a closed shop situation. Since the issue was originally discussed during the *earlier passage of the Bill, Tory* thinking has hardened because of the case of the Ferrybridge Six—the power station workers who have lost their jobs because they would not belong to a recognised union.

The Conservatives are also *prepared to back Lord Goodman*, the independent peer who is chairman of the Newspaper *Publishers Association if* he reintroduces his amendment to the charter on Press freedom. This gives a degree of legal backing to the charter, guarantees the right of editors not to belong to a union, their right to publish outside contributions and the *right of* journalists to belong to a union of their choice.

At the moment, the Government has reinserted the Lord Houghton's amendment which envisages a voluntary code. Under this proposal, the Secretary for Employment would have the right to draw up the code himself if the industry could not agree on voluntary proposals within a year.

Lord Carrington, the Tory leader in the Upper House takes the view that even though the Bill will become law whatever course the Opposition adopts there is no reason why the *Conservative Peers should not stick* to their guns.

Continued defiance by the Peers is likely to lead to some more lively scenes in the Lords. Mr. Michael Foot, the Employment Secretary, has already given a veiled hint that the *Government would be prepared* to create more Labour Peers if the Opposition continues to block Government legislation.

I've heard it all before, PM says

BY PHILIP RAWSTORNE

Russia would have more respect for Britain if its leader were "an iron lady" instead of a "plasticine man," Mr. Harold Wilson was bluntly informed yesterday.

Mr. Neville Trotter, Tory MP for Tynemouth, with the enthusiastic support of his party, was busily warming up the cold war in the Commons.

And Mrs. Margaret Thatcher, the Tory leader, *alertly* stiffened her posture on the Opposition front bench to heighten the contrast with Mr. Harold Wilson, loosely draped over the *Despatch Box*.

"The Russian socialists are *very realistic; they appreciate* strength," Mr. Trotter claimed.

"Being realistic, they pay less attention to the odd speech here or there than they do the *real record of Governments*, the strength of NATO, and the determination of the Government to maintain that strength," Mr. Wilson retorted amid Tory jeers.

But with a sharp political eye on Mrs. Thatcher's hardening posture, the Prime Minister refused to be drawn towards Mr. Frank Allaun's pacificism.

The Labour MP for Salford East suggested that the balance of "over-kill" between the U.S. and Russia made it nonsense for other countries to spend vast amounts on defence.

Mr. Wilson only recognised that the balance of terror had been a significant factor in achieving detente.

And Mrs. Thatcher showed no signs of recognising even that. The "factual and balanced" speeches made by Mr. James Callaghan and herself had roused an "*hysterical outburst*" from Moscow and a "somewhat trivial response" from Mr. Roy Mason, Defence Secretary, she said.

"*Will you now speak up for* the effective defence of Britain and her way of life against those who permit neither freedom of speech nor travel and who have to build a wall to keep their people in?" she asked the Prime Minister to a *roar of Tory cheers*.

Mr. Wilson agreed that there had been hysteria in Moscow—and commended Lord Goronwy-Roberts's cool reminder *to the Russians that this* was a country of free speech. But there was no comparison between Mrs. Thatcher's speech and those of Government Ministers, who had spoken from "real knowledge of these matters."

"Your analysis contained a large number of long accepted truths which you have just discovered *but nothing new* whatever," he told the Tory leader.

If the Prime Minister accepted her analysis, would he then ensure there were no further defence cuts? Mrs. Thatcher demanded.

It was another long accepted *fact in NATO*, Mr. Wilson retorted, that any defence review would not affect the effectiveness of our contribution to the alliance.

Soviet attitude to detente Page 16.

Mrs. Oppenheim attacks prices plan as 'cosmetic compromise'

BY JOHN HUNT

GOVERNMENT proposals to hold down price rises to 5 per cent. on a selected list of products were savagely attacked as "a cosmetic compromise devoid of significance" by Mrs. Sally Oppenheim, "shadow" *Prices* Secretary, in the Commons yesterday.

Unveiling the scheme, Mrs. Shirley Williams, Secretary for *Prices* and *Consumer Affairs*, described it as a useful step towards overcoming inflation. She said that the £6 pay limit was holding well, and there were encouraging signs of a real slowing down in the wholesale and retail price indices between September *and November* last year.

"Britain is already on course for the target of bringing the rate of price increases down to single figures by the end of the year," said *Mrs.* Williams.

Tolerant

On the Labour benches, the proposals were generally welcomed, though Government backbenchers anxiously pressed for *assurances that nationalised* industry prices would be held down under the scheme—a demand which brought a cautious response from the Secretary of State.

Despite Mrs. Oppenheim's hard line, the Tory rank-and-file seemed to take a more tolerant view of the plan, and contented themselves with a few comparatively mild questions.

According to Mrs. Oppenheim, it would more factually be described as a selective price increase scheme. Unlike the French scheme, which actually reduced prices by 5 per cent., the Government were only im*posing a 5 per cent. ceiling on* goods whose price would have remained stable or would have fallen. Sugar was a case in point.

Mrs. Oppenheim wanted to know if the proposals included nationalised industry prices, which rose by no less than 44 per cent. last year, and also whether the scheme was going to be monitored by the public.

She suggested that the Government *was going to issue little* red triangles for shops all over the country, to stick on the goods covered by the scheme, and she wondered how the customer would know whether they had been stuck on the correct items.

In reply, Mrs. Williams reminded *her that the scheme had* been accepted by the CBI and the Retail Consortium, the TUC, manufacturers and consumer interests. Had it been merely cosmetic, the agreement would have been easy to negotiate, but it had been nothing of the kind. The consortium and CBI had made it clear that the only reason they could endorse the scheme was because they knew that wages would be held within the £6 limit.

Dealing with nationalised industries, she said that they would make a contribution to the scheme. Full details of this would be given as soon as nationalised industry Boards were able to confirm it. Where the nationalised industries could *contribute without increasing* their subsidies, they would do so.

It would be wrong, she said, to assume that there would be no fuel contribution to the scheme. *A fuel contribution had still to* be confirmed by the nationalised industry chairmen.

Proposals

On specialised shops, Mrs. Williams said that these would be brought into the scheme, but only for a maximum of 60 per cent. of their turnover.

Turning to the question of monitoring the scheme, she said *leading manufacturers would* notify any price changes to the Government. The Retail Consortium would provide periodic reports to the Government. It was also recommended that retailers should keep a list of base prices before the scheme started, so that people could judge when any change had been made.

In drawing up the proposals, said Mrs. Williams, she had recognised that the profit mar*gins of manufacturers, service* and distributive traders for the third quarter of 1975 were at a very low level — in some cases their lowest recorded level.

In practice, as the rate of inflation continued to slow down, there were likely to be *many other items where price* increases would not exceed 5 per cent. during the six months of the scheme.

For the Liberals, Mr. Richard Wainwright (Colne Valley) warned that the scheme might take the edge off competition, and could deny shoppers the benefit of some price reductions. It could lead to a climate where universal increases of up to 10 per cent. a year were considered respectable and inevitable.

Mr. Donald Stewart (Scottish Nat., Western Isles) was concerned about heavy increases in electricity and other fuel bills.

Mr. Cledwyn Hughes (Lab, Anglesey), chairman of the Parliamentary Labour Party, declared; "The scheme will be widely regarded by all fair-minded people as a constructive and imaginative counter-inflation measure."

Council Bill opposed

THE West Midlands County *Council Bill, which would allow* municipally-run shops, petrol stations and estate agents, met Opposition resistance when it came up for formal second reading in the Commons yesterday. It was put down for consideration again to-morrow.

Devolution views wanted—Lord Shepherd

THE MOST straightforward *solution to the popular demand* for devolution was separatism—but this was the most damaging *of all the alternatives, Lord* Shepherd, Lord Privy Seal, said in the Lords yesterday.

In a debate on the Government's proposals to devolve power to Scottish and Welsh assemblies, Lord Shepherd said that only a small minority in Scotland and Wales wanted separatism.

"There is widespread recognition *of the strength we* have derived from our unity. We must find the solutions which are *not only right* but which will stand the test of time. Devolution is about better *democratic* government bringing power nearer the people."

Lord Shepherd said that the Government wanted to hear what Parliament and the people had to *say*. He *said: "We shall* not refuse to make changes where they fit sensibly into the basic concept which we are convinced is right.

The most conclusive *argument* against federalism was the widely differing sizes of the countries which made up the United Kingdom. England had 84 per cent. of the U.K. population and formed far too large a unit to be one State among others in a federal system.

"No federation would work satisfactorily with one part so overwhelmingly predominant in size and industrial strength."

He dismissed the *Liberal* party's proposal to break England into smaller States, saying: "I am sure there would be very few people who would want to destroy England *in this way* to satisfy a federal theory.

Lord Shepherd said that Tories had made much of difficulties that might arise if one political party was in power in Westminster and another in Edinburgh.

The Government's proposals would mean the genuine transfer of decision, taking over a wide range of subjects to local institutions in Scotland and Wales including the great bulk of social and environmental affairs, health, social work, schools and most other aspects of education, tourism and a great deal of transport policy including roads.

The risk of conflict was inherent in the sharing of power. Conservative proposals meant that a Scottish Assembly would be able to do nothing without the positive approval of the Westminster Parliament. "Their Assembly would be an impotent Assembly. It would be solely a talking shop."

Those *who said there should* be no reserve powers for Westminster were not arguing for devolution but for federalism and beyond. The Government was *committed to preserving the* economic unity of the United Kingdom which has benefited the U.K. for three centuries.

It meant that the wealth of *the whole nation was shared for* the benefit of all parts of the nation. Only the central Government could share it fairly.

The Government proposed to retain a unified Civil Service, but there would be a completely clear division drawn between the departments of the Secretaries of State and the departments of the new devolved administrations.

Lord Shepherd added: "Each civil *servant will know* which political master he serves."

He described real change—"not just cosmetic tinkering"—as essential. Some of the courtiers of King Canute might want the tide to be hurled back, but demands for change were not a passing fancy. "They spring from a deep and growing dissatisfaction with the workings of what *is seen as a remote and over*-centralised Government machine."

Lord Hailsham (C) said the one matter on which all Tories were united was that they wished to preserve the Union of the U.K. in its entire integrity.

He agreed with former Tory leader, Mr. Edward Heath, that the terms under which England, Scotland and Wales lived together, although not necessarily identical, had to be comparable.

The options were separatism, a unitary State, and what he termed true devolution with each part of the U.K. having a written *constitution*, *sanctified* at some stage by a referendum. Separatism would be a "recipe for disaster."

Lord Hailsham said that separatism would be disastrous on grounds of foreign policy and *economy and would render* the separate States liable to be played off, one against the other, by the Common Market.

He added: "The phrase '*United we stand, divided* we fall' is something that ought to be written on the heart of every inhabitant of these islands."

Turning to the possibility of a unitary State, *Lord Hailsham* said this would be infinitely preferable to separation, but would provide a constant platform for separatists, without satisfying *any of the legitimate aims of* moderate nationalism.

"If there is to be true devolution, I would like in Scotland, Ulster and Wales, the powers of the assemblies to be defined by *law* and operated and policed through the court of law. We need to develop a written constitution, controlled by law and definition, and in which the *temporary majority of the lower* House is not all powerful."

Lord Hughes (Lab.) a former Minister of State at the Scottish Office, was certain there was an overwhelming majority of opinion in Scotland for an effective form of devolution.

"*Separation* would be the path of disaster. But if no action is taken, and we cannot convince the *MPs for English constituencies* that this need is a real one, then I say, without fear of contradiction, that the next general election will very soon be *followed* by the demand for complete separation.

Lord Home said that the right solution would not be found until the majority in Parliament was agreed.

As a result of the Commons devolution debate, and reaction throughout the country to the White Paper, the Government would need to re-cast *important* elements in the White Paper before they could bring forward a Bill for anything like general acceptance.

He rejected the argument that nothing over the years had been done for Scotland. "A lot has been achieved and I think all of it has been good for the Scottish people."

Lord Home added: "I do not remember a debate in the last 40 years on a great matter of this kind, when such a variety of views has been held and in which there has been so much confusion of aim."

The thoughtful Scotman asked for more direct control of Scottish legislation—nothing less, and nothing more. "There are some who are asking for more, but they are not concerned with devolution as an extension of a partnership, only as the thin end *of the wedge to a separate Scotland*.

"It is important that the Government should understand the difference between policies which maintain the unity, and those designed to lead to the separation of Scotland from England."

Lord Home: "The disservice that the leaders of the Scottish National Party have done is that, by insisting that every step towards devolution is a step towards independece from England, they have made it *impossible to discuss devolution* as an end in itself."

He did not like the constitutional device of a referendum, but if confusion in the public mind remained for much longer, the Government might have to put the question to the Scottish people: "Do you wish to be separated from England?"

Lord Home said that it appeared likely there would be a four-party system in Scotland and some form of proportional representation ought to be in use. The Assembly ought to have powers over the Scottish Development Agency and the Scottish Development Council.

"*I have said nothing* about oil, because the North Sea oil has a limited life and I suspect that some of the revenue has already been mortgaged. But to allow *short-term thinking to* influence our thinking on devolution would be to sell our heritage for a mere mess of pottage."

LABOUR NEWS

British Gas calls for closed shop 'exclusions'

BY CHRISTIAN TYLER, LABOUR STAFF

THE BRITISH Gas Corporation is insisting on major exclusions to a *closed shop agreement with* white-collar staff in order to avoid revolt by non-union employees and to ensure emergency cover in the event of a strike.

Negotiations on a closed shop to cover the bulk of the corporation's 60,000 staff will come to a head at talks to-day, after the failure of a working party of managers and union *leaders* to agree terms.

The Corporation says that existing non-union employees—possibly as much as a third of the total—should not be required to join outside unions.

In addition, members of professional associations should be exempt along with junior grades *and trainees, and staff should* be allowed to continue emergency working even if unions called a strike.

Furthermore, any individual should be able to cite "reasonable grounds" for refusing to join a recognised union.

The list of exemptions is strongly opposed by the dominant white-collar union in British Gas, the National and Local Government Officers' Association.

NALGO insists that only religious objection to trade union membership should be permitted a let-out designed to protect members of *the Plymouth* Brethren and similar religious minorities. All other existing non-union members should be require dto join, NALGO says.

Progress of the gas closed shop will be closely watched by other public sector employers because NALGO has instructed all its branches in local government *and elsewhere to press for them* wherever possible.

To-day's meeting of the national joint council for gas staff will consider the chances of getting agreement after seven months of working party talks since NALGO asked for a closed shop last *June*.

A closed shop for the industry's 50,000 manual workers was agreed last March. Existing non-union workrrs were not required to join—but they are a far smaller proportion of the total than in the case of the staff.

Chrysler staff men refuse to work

BY OUR MIDLANDS CORRESPONDENT

EIGHT hundred supervisory staff at Chrysler's Coventry factories yesterday stepped up *industrial action in protest* at compulsory redundancies, part of the £162m. Chrysler U.K. rescue programme which means that, nationally, one in three of the labour force are to be dismissed.

The foremen, superintendents, industrial engineers and other members of the Association of Scientific, Technical and Managerial Staffs decided yesterday to refuse to work, except to carry *out the provisions* of the Health and Safety Act, thus stepping up earlier sanctions in the form of a *work-to-rule*.

The staff are remaining at the factories, although they are not calling their action a "sit-in", and claimed last night that production of cars and engines was being slowed.

It is the first major dispute management has faced since the Government's rescue plan was announced. While the union leadership is supporting the strikers it is unlikely to go to the extent of making the dispute official.

The strike leaders want to negotiate with management to extend the period of voluntary redundancy (which some members have taken) and to persuade the *company* that cuts among supervisors will result in too few overseers for the production schedules envisaged.

The management has said it is willing to talk but not to amend the programme.

Cowley engine tuners win 'skilled' status

BY OUR OXFORD CORRESPONDENT

ENGINE TUNERS at British Leyland's Cowley assembly plant, Oxford, have succeeded in their *long battle for* reclassification as skilled workers.

The 250 men who this time *last year* were involved *in a* damaging month-long strike, learned yesterday of the proposed settlement of their claim.

Details of a settlement agreed by union officials and Leyland management at talks in London which ended early yesterday will *be discussed by the men later* this week.

From Sunday, they will be classed as production workers, a change that will not bring immediate cash benefits, but meets the men's desire for improved status.

The *strike led to an inquiry* by the independent Advisory Conciliation and Arbitration Service and the report was the first it published.

The ACAS recommendation that the tuners be placed in a separate category of production workers ran into opposition from the Transport and General Workers' Union. But the 16-month dispute has now been settled on the basis of the *original claim*.

Meanwhile, Mr. Alan Thornett, the Trotskyist shop steward at Cowley, known as "The Mole," has withdrawn from a second ballot to decide the Oxford area's representative on the Midland region committee of the TGWU.

A *second* ballot was ordered by the union after three complaints from Oxford about the results of three union elections, including Mr. Thornett's defeat by a moderate, Mr. Jack Adams, the union's senior shop steward at the MG works at nearby *Abingdon*.

Mr. Thornett said he could not accept the committee's refusal to *hold* an inquiry. The committee had felt, however, that the fairest thing to do was to hold a fresh ballot.

Editors are custodians of truth, tribunal told

NEWSPAPER EDITORS can be made redundant but have to be replaced in their job, an official of the National Union of Journalists told an industrial tribunal yesterday.

Mr. Bob Norris, NUJ national organiser, was appearing for Mrs. Kathleen Rogers, aged 46, former editor of the Diss Express in Norfolk.

The tribunal, at Bury St. Edmunds, Suffolk, is examining Mrs. Rogers's claim of unfair dismissal from her job in September.

Mr. Norris said: "Editors of a newspaper enjoy no special privileges against redundancy. I am *ready to concede* that in theory editors can be made redundant. But in practice that person has to be replaced.

"The position of editor is, indeed, a *special one*. Editors are custodians of the truth, and responsible for it. Editors have been sent to prison or fined for inaccuracies which appear in their paper."

Mr. Alexander Irvine, for World Media, proprietors of the Diss Express, said that one member of the editorial staff needed to *be made redundant and it had* to be a senior member. The choice was between Mrs. Rogers and the chief reporter.

Mrs. Rogers said that while on holiday, she met the chief reporter in the street and was told that the advertising manager *had* been appointed "publisher" with overall responsibility.

Mrs. Rogers said: "On the day I was made *redundant*, Mr. Geoffrey Crabb, previously the advertising manager, came to my office as I was clearing up and asked how one should go about one's job."

She had worked for two weeks after receiving her redundancy notice, in *order to clear up*, and was not paid for those two weeks.

The tribunal reserved its decision.

Action over pit closure delayed

By Our Labour Staff

MINERS' LEADERS have postponed action on a threatened *national overtime ban in protest* at the closure of a Derbyshire colliery to give the National Coal Board more time for detailed study of the pit's viability.

They agreed yesterday to the Board's written request to give a full reply before the next meeting in two weeks' time of the National Union of Mineworkers' executive committee.

The question of the future of Langwith colliery, which employs 900 *miners*, was referred to only obliquely yesterday at a routine meeting between NUM leaders and the Coal Board to discuss general prospects in *the industry*.

Afterwards, Mr. Dennis Skinner, chairman of the miners' group *of MPs* and Labour MP for Bolsover, claimed that the Board's *case for* closing Langwith was weakening.

BORE HOLES

The NCB mining director had admitted that the potential of untapped reserves could not be measured fully without driving an exploratory tunnel.

Unless a pilot tunnel is driven at Langwith, the NUM has threatened to call a national overtime *ban*.

Sir Derek Ezra, National Coal Board chairman, intervened at the meeting to tell Mr. Skinner that the Board was already mapping out big new coalfields such as Selby with siesmic tests and vertical bore holes without the *aid of tunnels*—which were both expensive and time-consuming.

The NUM had set a deadline yesterday *for the Coal Board's* reply on Langwith. It is complaining that the Board has used three different arguments at different times for phasing out Langwith over the next two years; that the coal is not workable; that is it not economic to *mine; and that there would be* so much dust as to put work on new seams in breach of statutory safety limits.

NUM leaders are concerned that the dust argument will be used to shorten the life of other pits and put miners out of work.

Civil service seeks meeting

By Our Labour Staff

CIVIL service unions are seeking a meeting with Lord Shepherd, *Lord Privy Seal, to express* alarm at Government plans for a substantial reduction in the number of civil servants.

The unions are particularly worried because they have been given no details so far of how many jobs in which areas the Government wants to eliminate, nor do they know how the reductions are to be achieved.

When they meet Lord Shepherd, the unions are expected to stress their resistance to any compulsory redundancies.

Shop men win £6 increase

By Our Labour Staff

THE FULL £6-a-week increase permitted by Government pay policy has been negotiated for all adult full-time *employees* in John Collier and other United Drapery Stores men's tailoring shops, the Union of Shop, Distributive and Allied Workers said yesterday.

The agreement brings the number of men's wear shop staff who have received the *full* £6 increase to nearly 20,000, USDAW said.

PM to meet Scottish TUC

By Our Glasgow Correspondent

PRIME MINISTER Mr. Harold Wilson is expected to visit Glasgow on April 9 to meet members of the General Council of the Scottish TUC. He is likely to be joined by Mr. Michael Foot, Employment Secretary, and Mr. Eric Varley, Industry Secretary, for talks on unemployment—especially among school leavers—the effects of steelworks closures and the general economic situation.

Rig work halts on Teesside

MORE THAN 1,300 workers walked out of the Teesside yard of Laing Offshore, the North East's leading oil rig construction works, yesterday in a protest over working conditions.

Both day and *night* shift workers staged a two-hour stoppage because of conditions in the yard's flood basin.

Jenkins forecasts 1.7m. idle

BY DAVID CHURCHILL, LABOUR STAFF

UNEMPLOYMENT could reach 1.5m. by the summer and 1.7m. at the end of the year if present trends continue, Mr. Clive Jenkins, general secretary of the Association of Scientific, Technical and Managerial Staffs forecast yesterday in his union's latest quarterly economic review.

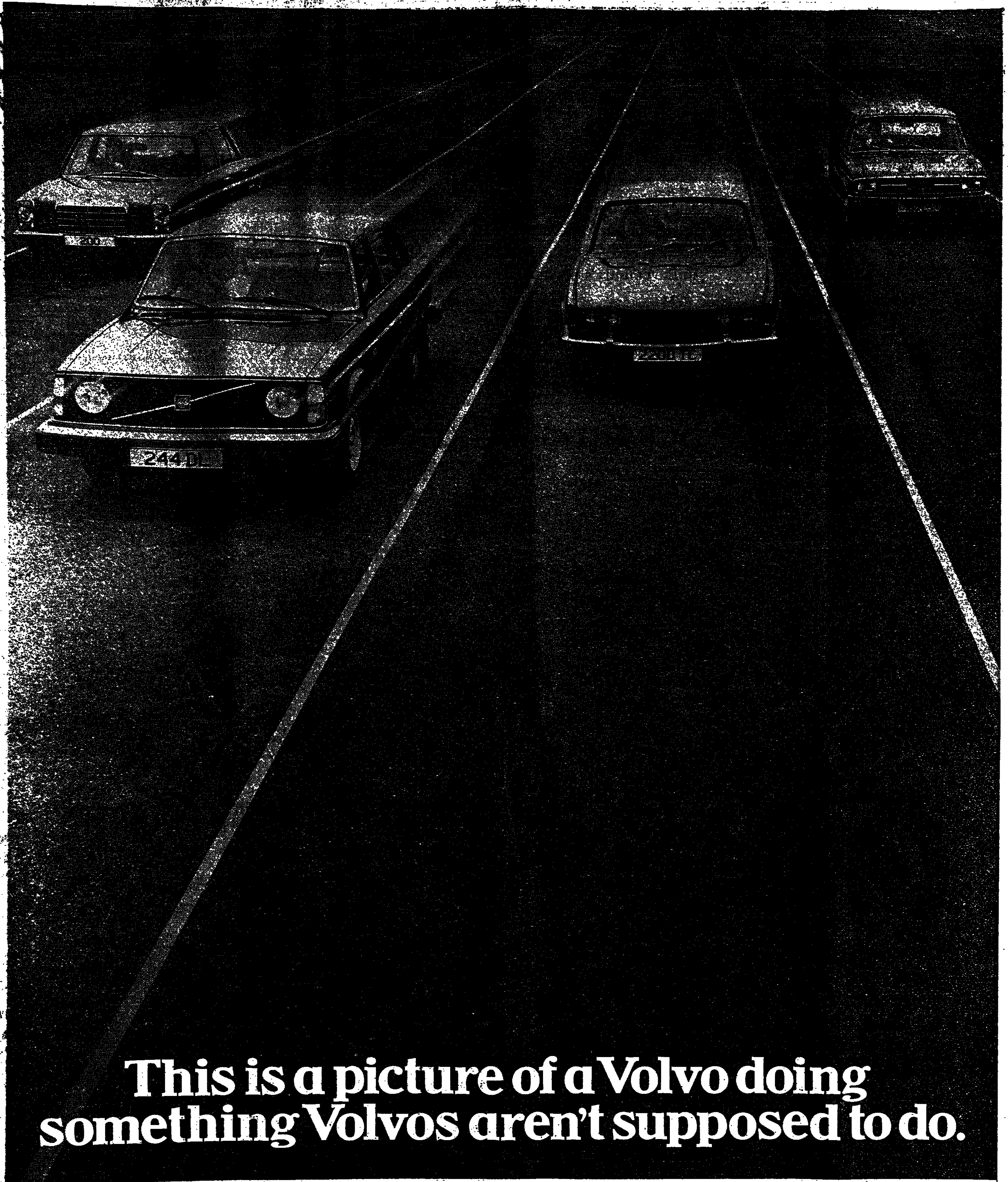
Mr. Jenkins, who painted a gloomy picture of the economy, predicting only a marginal increase in industrial output and a further 10 per cent. fall in manufacturing investment, blamed the Government's failure to introduce import controls for the unemployment situation.

The "philanthropic" attitude of the Treasury and some Government Ministers in opposing controls had led inevitably to increased unemployment in such industries as colour television and tube manufacturing.

If demand was to be created in the domestic economy to stimulate employment—which ASTMS believes is essential—then controls were necessary to *prevent a flood of imports of* consumer durables.

The ASTMS economic review suggests that many workers are being under-utilised so that unemployment will continue to lag behind any expansion of output. To achieve the TUC target of reducing unemployment to 600,000 in two years would imply a growth in industrial output of 6-7 per cent. a year. Thus, unemployment would not drop below 1m. before 1979 at the earliest.

The union is more optimistic about inflation, forecasting a reduction in the rate to about 12 per cent. by the end of this year, although it suggests that real disposable income will fall by 3-4 per cent. by the end of the year.



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*Figures quoted are from What Car? Magazine.

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FINANCIAL TIMES SURVEY

Wednesday January 28 1976

St LUCIA

Despite the severe impact of world recession and the problems of the banana industry, the island of St. Lucia is pressing ahead boldly with plans for independence. The confidence of the islanders and their administration in the country's potential will clearly be put to the test.

Set on a bold course

This Survey was written by QUENTIN PEEL

THE ISLAND of St. Lucia in the Eastern Caribbean has traditionally attracted more than *its fair share of attention.* In the past that has not been focused on political controversy, but rather on its stability in a turbulent region, and its potential for economic development.

In the coming year St. Lucia is likely to be in the limelight again, as the Government pursues its declared intention of taking full independence from Britain, and stepping out from *under the British defence* and foreign policy umbrella.

The decision would be a drastic one at the best of time. In St. Lucia's case it comes as the island is struggling to recover from the crippling effects of the world recession and energy crisis on its vital tourist industry, coupled with the cumulative effect of six years of *drought on the banana industry.* The process is likely to be traumatic.

At present St. Lucia is one of five States Associated with Britain in the Eastern Caribbean, a status which confers full internal self-government on the former colonies. It is a status, too, which was never intended to be permanent, and which Britain will be just as happy to terminate. But within St. Lucia *it is still seen* as a highly controversial move.

*The reasons behind the de*cision of Mr. John Compton's United Workers' Party (UWP) Government to take the step are possibly as much economic as political. An independent St. Lucia will be able to seek aid from other quarters rather than simply Britain and Canada, as it has done in the past, and it may come with fewer strings attached.

Independence means too that the island will at last be able to negotiate *its own airline* route rights, and have a chance to attract some sorely needed scheduled flights from sources other than British Airways, which at present controls all bilateral negotiations.

The move is also likely to allow St. Lucia the chance to *play a more assertive role* within the region, and particularly within the ranks of Caricom, the Caribbean Common Market, where the voice of the smaller islands tends to be drowned by their larger neighbours.

The past two years since the OPEC countries first raised their oil prices have been particularly hard in the Caribbean, relying totally, as all the islands *except Trinidad do, on imported* oil and long-distance communications.

For St. Lucia the blow was very bitter, coming just at a time when her tourist industry was starting to take off. The collapse of the travel giant Court Line which followed closed two hotels on the island, one of them—Halcyon Days—the biggest experiment in package deal tourism in the Eastern Caribbean. The cut-back in long-distance tourism also left *the island's other new hotels* with gaping holes in their bookings and gross overcapacity.

Simultaneously the construction boom which had built the island's new hotels was coming to an end, with slim prospect of more such lucrative wages for the newly trained construction workers. But the alternative of returning to the land was hopeless, with bananas suffering the cumulative effect of a drought from which they have yet to recover.

Between 1969 and 1973 banana exports slumped from a record 85,000 tons to a bare 35,000 tons. As the growers struggled to stay solvent, the price of *fertiliser* started to soar, eventually quadrupling. Only last-minute intervention by the British Government with fertiliser subsidies in 1974 saved the industry from collapse at that time.

The economic effect of the collapse in banana production *is graphically illustrated by the* growing trade deficit—from $EC24.9m. in 1969 to $EC58.2m. in 1974—in spite of a substantial improvement in the banana price paid in Britain.

The social effect of the same combination of events was compounded by the arrival on the *jobs market of the first genera*tion of young St. Lucians to *have gone through a free* junior secondary education: they were not trained for agriculture, while the jobs outside it were simply not on offer.

"We had three things coming together in 1974," Mr. Compton says. "But we were able to live on fat. Now we are slowing down. If growth doesn't come to a halt, it is coming pretty near to that."

One other factor has also made economic life extremely difficult for such a small and open country as St. Lucia, and that is also one which might be simplified, or ended, with a move to *independence:* the sterling link.

The East Caribbean dollar, shared between the Less Developed Countries (LDCs) of the East Caribbean Currency Authority (ECCA), is automatically linked to sterling at a constant $EC4.80 to the £. The *lack of any central bank* and the presence of the automatic link mean that the LDCs can have no effective currency control in their countries. More importantly in an area largely dominated by the U.S. dollar, their EC dollar has been rapidly depreciating, which might have been a favourable situation if any of the countries was exporting heavily, *but since all run* hefty trade deficits, the devaluation has been ruinous.

The lack of currency control has also meant that other Caricom countries like Jamaica and Guyana (both More Developed Countries, MDCs) have been unwilling to allow their businessmen to invest in the LDCs, for fear they use it merely as a currency loophole. *Trinidad still keeps its sterling* link, but Jamaica, Guyana and Barbados are all now linked to the U.S. dollar, so their exports to St. Lucia have become substantially more expensive. All *the members of the ECCA have* now agreed to end the automatic sterling link, without cutting their ties totally, but several have yet to pass the necessary legislation.

Meanwhile, Mr. Compton *calculates, the sterling reserves* of the ECCA are depreciating at a rate of about EC$1m. a month.

Mr. Compton and his party have now been in power in St. Lucia since 1964, with little real threat to their continued rule, until the most recent election in 1974 when they were returned rather more narrowly *than expected (with 10 seats to* the St. Lucia Labour Party's seven). The UWP Government have attracted frequent favourable comment from overseas for their cautious economic realism, and their welcoming attitude towards foreign investment.

The Premier himself, a *lawyer* by profession, cuts an impressive, if modest figure. He is only too well aware of his country's problems, and the very small room for manoeuvre they leave him. The danger of his position is that increasingly it is to the Premier that any problem must go for speedy solution.

The Government's strategy in *the 1960s* was clearly to go for growth through tourism, with industrial *development* as a less likely second best. Until the drought cut back the improving banana crops, it appeared that the policy was almost ideal.

The hard times of the 1970s have forced many Government *strategies to be rethought.* Not least is to throw the emphasis *back to agriculture.* "We import $EC90m., of which $EC20m. is food: cereal, sugar, meat, fish products and poultry. We can reduce that gap," Mr. Compton says. "We must put the emphasis on marketing: marketing of export crops is thoroughly organised: domestic agriculture is *thoroughly dis*organised." If locally-produced food could be presented as well as imported products, they would be bought, he believes.

The same re-emphasis of agriculture is one of the Opposition's main planks, although more radically expressed: the land tenure system must be reformed, land taken over from the larger estates, and co-operatives encouraged among the farmers, says George Odlum, possibly the leading ideologue of the SLP.

Both sides see the drain of workers from the countryside into the capital, Castries—where 45,000 of the 110,000 population now live—as a major *problem.* "You have got to make it more profitable to work *in agriculture than to work in* an office," George Odlum says. "*Then we should be putting* good housing into the middle of farming communities. All our productive potential is going into these service industries."

Mr. Compton farms himself in his constituency: "I will interview 15 to 20 youngsters there at a weekend, not one of *them looking for a job in agri*culture. We have to demonstrate *to people they can make a living* from agriculture."

There is clearly growing frustration within St. Lucia at high unemployment—estimated at 15 per cent., but in some parts probably nearer 20 per cent., *without calculating under*employment—and the soaring *inflation imported from abroad.* Careful Government accounting with a long record of balanced budgets cannot shelter the economy totally from the outside world.

However, it is those balanced budgets which have encouraged organisations like the Caribbean Development Bank to put its money into St. Lucia's industrial estates. Although the factory work provided on them is of only marginal benefit in soaking up the mass of unemployed, the island is slowly building up a genuine industrial sector.

Now, *in the face of all its* economic problems, the Government of *St. Lucia believes it* may have a key to dramatic future expansion. That is the increasingly likely prospect of using geothermal energy to provide electricity for the whole island. Independent consultants employed by the British Ministry of Overseas Development have reported favourably on the prospects already, *although one more major source* of steam at the island's "drive-in *volcano" is needed to provide* a commercial quantity.

If the island can successfully develop a cheap source of energy, it will be a commanding position to attract a much wider range of industry, especially those producing for the Caricom market, but also more capital intensive plants.

However, in such a small

CONTINUED ON NEXT PAGE

BASIC STATISTICS

Land area	238 square miles
Population (est. 1974)	110,780
Trade (1974)	
Imports (c.i.f.)	EC$91.1m.
Exports (f.o.b.)	EC$32.9m.
Imports from U.K.	EC$23.8m.
Exports to U.K.	EC$22.1m.
Currency (East Caribbean dollar)	£1=EC$4.80

Bitter transport row

UMENTS OVER St. Lucia's with the outside world raged virtually since the d achieved associated state- with Britain in 1967. tably any development, her of the tourism industry aditional trade, is totally ndent on the quality of com- cations. But the arguments only really become bitter e past two years, against ackground of recession in ravel trade and the open- f a glamorous and sophis- d new air terminal on the l.

e existence, just outside x Fort at the southern tip e island, of a U.S. air base de of being expanded into rport to take the largest nger jets was probably the ing factor in attracting t investment. A second d just outside the capital, ies, in the north, which ake the inter-island air- makes St. Lucia possibly ost favourably placed state East Caribbean for trans- by air.

l yet the services to fill facilities have not ialised, at least not to the that the Government have wished. In the days of tourist develop- it was cheerfully assumed s hotels were built and ces provided so the air es would expand to fill Instead St. Lucia has left, resentfully, relying ort-term charter arrange- to bring its visitors—and the bottom fell out of the market with the energy that was the slice of the t first hit.

new air terminal at orra — the renamed Field air base—along n extended runway, has completed since the of last year thanks to $12.5m. aid programme Canada. It includes te customs and immigra- reas, individual arrival departure lounges, a rant and duty-free shops, l as a new communica- ower. And yet it stands icently unused most of ne. An improvement pro- e has also been com- at Vigie Airport, the r field, with expanded al facilities.

otage

stumbling block, accord- the St. Lucia Govern- and Tourist Board, is Airways. For the because of its continued with Britain, is con- l a cabotage destination, means it is effectively d as an internal U.K. with British Airways, ot St. Lucia, responsible ateral route rights. And h the airline has led its scheduled ser- from London to include ights in per week, the wants more, which the ny shows no sign of ing.

need for a substantial ion of services is shown fact that, even if all the t flying into St. Lucia, ing the inter-island LIAT to Vigie, were full of s, the current available capacity would still be 3 per cent. full.

addition to British Air- Eastern Airlines flies in week from Miami, while ad's British West Indian Airways flies from New York. Indeed BWIA has just this season added an extra Sunday flight to and from New York, but only provided the St. Lucia Hotels Association guarantees to fill—or pay for—50 per cent. of the seats.

All other air passengers have to come in via charter, or on the LIAT connecting flights from Barbados, for instance, or Martinique, which land at Vigie.

Arguments with British Airways have inevitably become circular, with the airline determined to see clear evidence of more tourists before it will commit aircraft to the route, while the tourist board argues that visitors are being frightened away by the lack of seats. Having so far failed to win more flights from Europe, the island authorities have now turned to Canada—last year the point of origin for the second largest number of tourists—to get a scheduled flight. But again the problem of cabotage rears its head.

Exactly what is preventing a regular flight from Toronto, at least during the winter season, is disputed. BWIA is apparently willing to include St. Lucia as a stop on its flights from Trinidad both to London and Toronto, but the British and Canadian Governments have not yet given their permission. As for the suggestion that Air Canada should fly in, it is claimed that British Airways want a Canadian route in exchange, which has stymied negotiations.

The whole issue has now reached such a pitch that it is quoted as one of the most important reasons for St. Lucia's declared intention to seek independence—to be able to negotiate its own route rights.

The position regarding sea transport is certainly less contentious, and generally St. Lucia can be satisfied with its services. The most dramatic development is the building of three new berths at Castries harbour, along with improved docking facilities and greater depth. The work started three years ago, and one berth is already in use, while the other two, financed through the Caribbean Development Bank, should be finished later this year. They will provide berths of 550 feet and 600 feet, and a depth of 35 feet compared with the present 28 feet.

Work was needed on Castries port—one of the finest small harbours in the Caribbean—not so much because of congestion, but simply because its existing facilities were about 100 years old. As such they dated back to the days of coaling, when as a coaling station Castries ranked ninth in the world for harbour tonnage handled.

Capacity

Although Castries is unlikely ever to see such activity again, when the coal was piled so high along the wharves it was impossible to see the town, the port development will provide some spare capacity on existing levels of trade to encourage the authorities to cast around for more business. In the first place the berths will allow cargo and cruise ships to dock simultaneously: previously the cruise liners had to stand off and unload their passengers into boats, or else replace any cargo or banana boat at the quayside. Secondly there will eventually be modern roll-on roll-off facilities, and the capacity for handing containers, as well as cold store facilities.

Mr. George Gerrard, who is chairman of the harbour authority as well as Financial Secretary, says: "We feel that this development is in keeping with other areas that we are trying to develop: the trade in agricultural produce we are hoping will increase substantially. In time we hope we could break into the North American market. Bulk storage has been talked of as a possibility. We are not putting ourselves up as a major transhipment port, but we have put slightly more capacity than we need immediately. We do feel we would be interested in some transhipment."

The most frequent shipping service is naturally the Geest banana boats, which call once a week, and are starting to carry an increasing variety of goods—as well as rather exclusive accommodation for a dozen passengers. Harrison Line has cargo ships calling from the U.K., and Atlantic Line from the U.S., while Saguenay Shipping serves Canada's East Coast ports, and brings in general cargo, including flour. The West Indies Shipping Service also has vessels calling roughly every two weeks.

The banana boats also call, although less frequently, at Vieux Fort, where the harbour is next in line for improvements, and likely to be more extensively used once the planned industrial estate there is busy.

As for internal communications, recent years have seen some drastic improvements, although much has yet to be done. The rugged terrain of the island poses a challenge to the most enthusiastic road engineer, while the shortage of cash means that repairs are not carried out when they need to be. Vehicle suspension systems have an appallingly short life.

The largest single project still under way on the island is the building of a new East Coast road from Castries to Vieux Fort, thus linking the capital with the international airport, and cutting the journey time when it is completed to less than an hour. At present the alternatives for visitors staying in the north are an uncomfortable taxi ride costing $EC55, or a trip on the inter-airport shuttle service, which can be cancelled at short notice.

British aid totalling $EC17.5m. granted by the Barbados-based British Development Division is paying for the new road, and the work is being carried out on a management fee basis by the Crown Agents. Of the 37-mile distance from the capital to Vieux Fort the present exercise will build 20 miles, widening, straightening and resurfacing the existing road, while the other 17 miles have already been improved piecemeal. In spite of problems in using the local stone to build the new road, it is expected to be completed ahead of schedule.

The island's other main road, down the West Coast from Castries to Soufriere, is in much worse condition. But as much of the road originally had to be built by hand because of the steep gradients, there is little immediate prospect of improvement. Possibly one of the most obvious gaps in the communications is the need for a more regular ferry service between the two towns: although there is one which comes from Soufriere in the morning and returns at night: the only regular trip in the other direction is on a tourist vessel, at tourist prices.

North of Castries the road has been much improved, largely thanks to the Rodney Bay development. It is well surfaced all the way from the capital to the luxury private Cap Estate at the northernmost point, giving the majority of tourists on the island a misleading impression of conditions elsewhere.

With minor exceptions the telecommunication system on the island is good, as are its international links: all provided by Cable and Wireless. Telephone calls to the U.K. generally come through within 15 minutes, and the internal telephones are all on a dial system.

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one of the island's most l projects is still having e getting off the ground— uch vaunted Rodney Bay opment. Costing some m. this consists of a p excavated to form a ome yacht marina to be nded by low-rise con- nium homes, and a large way built out from the to nearby Pigeon Island, i is supposed to be the site nore substantial holiday lexes.

e project has been lan- ing now for two years, gh the Commonwealth opment Corporation which ges it, and has a 45 per stake, says that work is on preparing sites for secondary developers, who will come in as soon as the world economic situation improves.

Rodney Bay has become something of a target for the frustrations of St. Lucians, who see in it the sort of abortive development which will not bring any lasting local benefit.

There is frustration, too, that the island has suffered from speculators in the past, and currently an estimated 15,000 acres of badly needed farming land is lying virtually idle, owned by foreign developers. The Government is talking quite openly now about taking legal action to force the owners to return the land.

There is a suspicion that the move to independence is something of a red herring, to divert public attention from the more immediate economic problems. But Mr. Compton is adamant: "Associated Statehood was never intended to last very long, it was simply a stepping stone to independence."

Now that the Caribbean States have failed to come up with any agreed form of federation, "it is inevitable we will have to go for independence separately." It is very unlikely that Britain will put any obstacles in the way of St. Lucia. But once independent the island will continue to need a very firm hand at the helm.

St. LUCIA III

Tourism requires careful planning

THE GROWTH of tourism in St. Lucia over the past decade has been phenomenal, increasing in numbers by some 300 per cent. Indeed in 1960 fewer than 6,000 visitors came to the island, compared with to-day's totals of well over 50,000, equivalent to practically half the island's population.

But that growth has also inevitably meant some burned fingers, and only in 1976 can the industry really hope to start shaking off the memory of the past two calamitous years.

The event which almost caused disaster was the collapse of the British travel giant Court Line. St. Lucia had really pinned its hopes on Court Line in a big way, for the company owned by far the biggest hotel on the island, Halcyon Days, and, with the smaller Halcyon Beach Club, controlled more than a quarter of all the rooms. When the crash came it shook the whole economy.

The whole Court Line saga illustrates well the irony of tourism in an underdeveloped economy like St. Lucia's, for the way the industry has developed is towards mass tourism, whose ultimate manifestation was the British group: whereas the island is very largely lacking the necessary support industries to service it, is desperately trying to train enough staff to man it, and in spite of great and obvious improvements has an infrastructure and basic communications which still leave a lot to be desired.

When Court Line's John Young came to the island in the late 1960s, and ultimately drew up his glamorous plan for two hotels and a weekly service of Tristar jets, the prospect was too good to turn down. He was prepared to put his mammoth Halcyon Days in the undeveloped south of the island at Vieux Fort, close to the international airport and just where the Government was looking for a whole new tourist take-off. "It was just what we had been looking for to get the southern part started," says Premier John Compton.

Halcyon Days opened in 1971, at a cost of some $EC14m., with 250 rooms and a further 500 confidently planned. It was (and still is) the only hotel in the East Caribbean totally geared to the package tourist. Even its size was dictated by the capacity of the Tristar jets. But it was two years before the operation, including the sister hotel at Halcyon Beach, started to catch on back in Britain. In 1974 the number of tourists from the U.K. increased by 68 per cent. to rather more than 5,000, mostly due to Court Line. Then in August the company collapsed.

At the time, all the guests were flown home within three days, most of the staff had to be laid off, and the hotels shut up until something could be salvaged. Although within a remarkably short time the liquidators managed to get the hotels running again, the salvage operation is still going on. Halcyon Days has been kept going with short-term charter contracts, mostly from Canada (and successfully enough to have virtually all rooms full this Christmas).

Negotiating

In his latest Budget speech the Premier announced that the Government was negotiating to buy the hotel. His plan is to find three or four travel operators—preferably one each in the U.S., Canada, the U.K. and Europe—who will each take a 10 per cent. share, and therefore have a vested interest in keeping the hotel full all the year round. The Government has yet to finance its own share of the cost, and the banks are likely to drive a hard bargain.

As for the Halcyon Beach Club, the future is less certain, although a Cardiff-based consortium has an option to purchase by April 30, with a plan to turn the complex into condominium flatlets. At present the hotel is running with a skeleton staff and barely a handful of guests.

The collapse of Court Line came at the height of the energy crisis, and just as Cunard-Trafalgar's La Toc and the German Steigenberger group's Cariblue hotels were coming on stream—an unhappy coincidence guaranteed to produce severe overcapacity. While the number of visitors to St. Lucia doubled between 1969 and 1974, the number of hotel beds quadrupled.

Yet the island's tourist industry has weathered the recession remarkably well, successfully expanding its intake of visitors each year, if at a slightly slower rate than previously. If business picks up in the coming months as the industry's chiefs are predicting, St. Lucia will be in a position to be envied by its Caribbean neighbours. For the average hotel size there is 100 beds—compared with an average of a mere 15 beds in the rest of the smaller islands. In the long run the existence of such large units means the industry can take advantage of charter flights, particularly the new one-stop charters now permitted from the U.S. But in the short term it has meant the hotel companies trying to make ends meet on a diet of cut-rate passengers, while paying off the early years of their huge capital costs.

The harbour of Castries, St. Lucia's capital.

Construction

"We had a fantastic construction programme which provided more rooms than we could fill," says Mr. Peter Bergasse, chairman of the St. Lucia Tourist Board. "So each year we were forced into short-term charter arrangements to bring the people here. There is no way we can fill these hotels on an individual basis. It isn't the type of market we should be in, with the type of facilities we have to offer."

The proportion of tourists arriving by charter in the past five years has been running as high as 80 per cent. Although it is a bread and butter traffic for the hotels, the rates are so much lower than for individual guests that the operators would dearly love to cut it back to a more reasonable slice of their custom. Mr. Bergasse believes he can see this happening.

"Although we are still relatively unknown in America, there is considerable interest coming up in St. Lucia," he says. "The airlines that serve us from the U.S. have also recognised that this (scheduled passenger) market is increasing."

But possibly the most important reason compelling the industry's reliance on charter traffic has been the lack of scheduled flights coming to St. Lucia. Indeed the problem has become so acute in the eyes of the Government that it is quoted as one of the most significant factors behind seeking independence from Britain.

The problem is examined in more detail in the article on communications. Effectively British Airways is the organisation which controls bilateral route rights into the island, and the airline is not prepared to lay on as many flights as the St. Lucia Government would like. "We have a market in the U.K. that we will lose because British Airways is not prepared to do more," Mr. Bergasse maintains.

Now in an effort to change its attack the island is pressing for a new scheduled service to Canada, to add to the twice-weekly London service, the Eastern Airlines link to Miami, and British West Indian Airways flights to New York. But even this move appears to have got stuck in inter-airline negotiations.

Canada is one market which has expanded rapidly over the past two years, and there are now more Canadians coming to St. Lucia than tourists from the U.S., practically all of them on charter flights. There is also a substantial ethnic traffic of emigré St. Lucians from there as well. The other market which the tourist board is eyeing hopefully is Continental Europe, which has built up from virtually nothing in 1972 to almost 3,000 visitors last year. The latest development is a weekly charter flight this season by the Lufthansa subsidiary Condor from Frankfurt, serving five hotels. There are also tours coming from Scandinavia, Switzerland, and more are planned this summer from Italy.

The type of tourist coming from Europe—including the U.K.—is one the island is very keen to encourage. Not only is he not restricted to travelling just in the winter "high" season, like U.S. and Canadian visitors, but he comes on average for 12 days, compared with the American's seven or eight. "Europe is the best value market at the present time from our point of view," Mr. Bergasse says.

Although the winter season is likely to be fairly healthy this year—all the big hotels were practically full over Christmas—the slump in the summer is what destroys the hotels' profits. Year-round bed occupancy rates are as low as 30 per cent. in some establishments. Mr. Bernd Ludwig, manager of the Cariblue and president of the St. Lucia Hotel Association, puts the situation baldly: "I cannot see any serious hotel man coming to this island right now with an average occupancy of the hotels year-round not much more than 30 per cent. Right now I don't see anybody interested."

That is likely to be true of any large-scale development, and certainly appears to have been the case so far for the ill-fated Rodney Bay scheme. There the Commonwealth Development Corporation, along with the St. Lucia Government, and St. Lucia Marine Enterprises (one of the Jamaica-based Matalon family companies), have created a yacht marina out of a swamp, reclaimed the surrounding land and built a causeway out to nearby Pigeon Island (once the British naval base for Admiral Rodney), all at a cost approaching EC$20m. The scheme has produced 436 acres of land for sale, including 70 prime acres on the causeway, fronting on to 4,500 feet of new beach. It is one of the biggest projects of its kind anywhere in the Caribbean.

Rodney Bay has yet to find any developers willing to build either low- or high-rise condominiums, in spite of its magnificent facilities and its prospect of homes for sailing enthusiasts to keep their car at the front and their yacht at the back door. In the meantime the project has become the butt for islanders' complaints, and the Government is making threatening noises against CDC for alleged inactivity and lack of enthusiasm.

Indeed there is for the first time on the island some criticism of the whole direction of tourist development. That is not to say that the St. Lucians themselves have lost their traditional friendliness and welcome—which is still a marked contrast to the reception in some other parts of the Caribbean.

The hotels are vital employers of labour, yet they still import something like 90 per cent. of their food and drink needs. The island is incapable of supplying even fresh fruit and vegetables, and certainly meat and dairy products, in the necessary bulk for such a restricted number of months. Only by finding export markets for the same goods during the slack tourist periods, or by setting up enough food processing plant to use up the bulk of the produce, could it be done.

Inevitably the combination of high imports and heavy debt servicing forces up prices, to such an extent that the daily room rate in season equals more than four times the hotel worker's average weekly wage. It is extraordinary that the contrast is not already more resented.

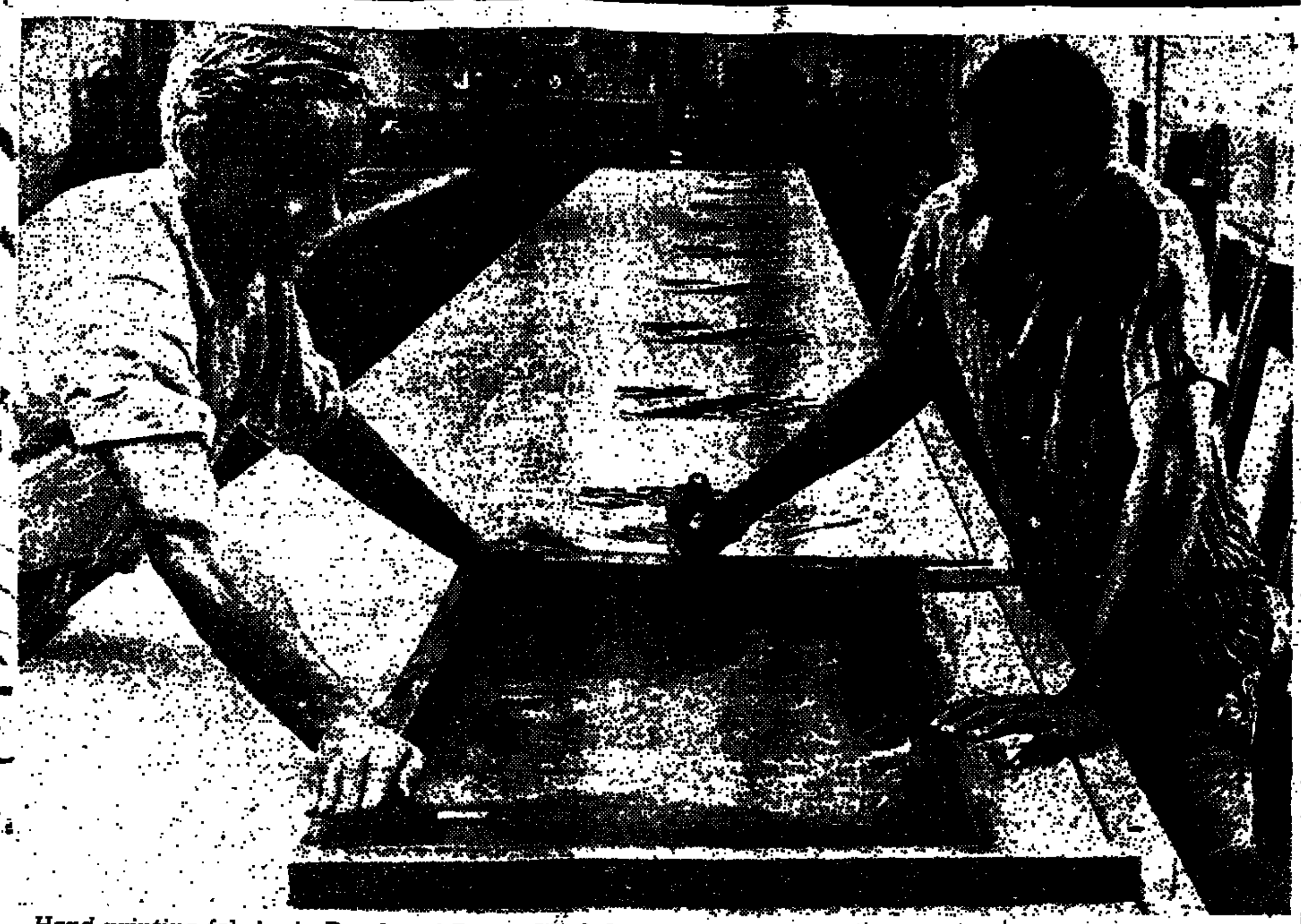
Of the hotels, Cunard's 164-room La Toc is the most expensive, and occupies a dramatic 100-acre site only a few minutes' drive from Castries. It is well situated to attract lucrative convention business from the U.S. as well as cruise passengers on a fly-stay-sail package. Both Cariblue and the larger 185-room Holiday Inn are in fine settings—the Holiday Inn will ultimately be part of the Rodney Bay development, while Cariblue is tucked away on the exclusive Cap Estate.

But at present it is the medium-sized hotels which seem best adapted to the island and the economic climate—such as the Malabar Beach, just outside Castries and beside Vigie Airport, which has managed to corner a useful slice of year-round commercial business on top of its tourist traffic: or Anse Chastenet, quite on its own outside the town of Soufriere, and boasting a volcanic beach of black sand as well as its closeness to the island's extraordinary sulphur springs and "drive-in volcano," and the twin peaks of the Pitons, rising sheer out of the sea to a height of more than 2,400 feet.

Shortage

The smaller hotels are also best suited to cope with the shortage of trained staff, and they can more easily cater for their food needs in the local market place. Indeed the National Development Corporation has recently agreed to make grants available to St. Lucians wanting to start up small hotels and guest houses.

The big sales line for St. Lucia runs: "One of the last truly unspoiled Caribbean islands . . . come and be spoiled." That statement is still largely true. The life of the island goes on in spite of the tourists. It is partly a question of topography, with the rugged terrain discouraging all but the most intrepid explorer from venturing far from the beaten track. It is also a question of temperament. But there is always the potential within a tourist industry, particularly one catering for the upper end of the market, to cause social strains. It would be a tragedy if the advertising copy writer found that his neat epigram had turned into the island's epitaph.



Hand printing fabrics in Bagshaws' Design Workshop. Output is mainly for export to the U.S. and local tourist sales.

Cheap energy may boost industry

·IDUSTRY IN St. Lucia is still its infancy. Compared with e overwhelming preminance of agriculture and w tourism, manufacturing and ocessing plant make a very iall impression on the national onomy.

Indeed the prospects for any rge-scale industry on such a iall island are minimal, offerg as it does a tiny home arket, and no vast potential en within the entire Caribean Common Market, Caricom. But there are certain definite eas where there is a real tential for development, and ie particular factor could ansform the whole industrial ene in the Island. That is the ospect of cheap energy.

St. Lucians are convinced that ey have found a key to their ture prosperity in steam wer—geothermal energy from e volcanic sulphur springs. iey have finally managed to nvince increasing numbers of eptical outsiders, with the bstantial assistance of OPEC's l price rises, and have peraded the British Government back the necessary feasibility udies.

'iable

The results are highly encourging, although the experts still nphasise the risks, both finanal and physical. The site of e springs is just outside oufriere, in the heart of what e tourist board delights to call e island's "drive-in volcano," collapsed volcanic cone tered with sulphurous waste id bubbling, noxious pools. ve holes have already been illed, two of them successfully eaming. One more is needed, e consultants say, to produce commercially viable quantity. The physical risk is caused the instability of the ground ound the drill holes, which reatens to turn into mud pools unheated water from the oper layers cannot be phoned off.

The financial risk lies more the capital cost of converting ie island's existing transmison system, rather than the tual cost of putting condensig turbo-generators on site. ut the consultants employed y the British Ministry of Overeas Development, Merz and cLellan of Newcastle upon yne, believe total capital ivestment would amount to EC18m., compared with EC11m. for an all-diesel alterative, and annual savings over ie conventional system could e achieved as soon as 1978. n addition, the steam-powered ystem would save an estimated $EC2m. a year in fuel imports.

The British Government has just agreed to increase its original £500,000 grant by £100,000 to finance another drill hole. If that is successful the Government of St. Lucia is *planning to buy a second-hand* back-pressure set to start converting steam into power right away: the initial system should produce up to 1.5 MW, enough to supply the south of the island. Ultimately the consultants propose a complex capable of producing 10 MW, compared with existing generating capacity of 6.5 MW, although it could not be commissioned before 1978.

Already speculative commercial proposals have been received from American business interests. But the Government *is determined to keep majority* control of the operation—either through a wholly-owned geothermal authority, or by buying into a majority position in the St. Lucia Electricity Service, now controlled by the Commonwealth Development Corporation.

If geothermal power becomes a reality in St. Lucia it will *open up opportunities for a* whole new range of industry, including those energy-consuming and capital intensive ones which the island cannot afford to attract at present. But traditional labour-intensive process and assembly plants could also be enticed away from other locations with the offer of cheap (even subsidised) and reliable energy.

To date industrial development on the island has been unspectacular, although steady. The biggest push will come now in the south, at Vieux Fort, *which would be the first area* to benefit from geothermal power. Here the island's latest prestige project, the Windward-Leeward Brewery, a subsidiary of Heineken International of Holland, has just started production of both lager and malt beers. The brewery is the first in the Windward and Leeward Islands, represents an invest*ment of $EC8m., and has an* initial production target of 750,000 cartons a year.

Investors

The brewery is the first installation on a 150-acre site already earmarked for industry out of 6,000 acres of prime flat land—the former U.S. air base —which is vested in the Natonal Development Corporation. Now it has a neighbour producing steel frame buildings, which in turn have been *used to erect four nursery fac*tories on the site.

The National Development Corporation was set up in 1971 to promote both industrial and tourist developments. Its function is as much to co-ordinate information and technical assistance for potential developers, as it is to channel funds towards small entrepreneurs and take a State interest in key operations.

The corporation produces its own excellent guide for prospective investors on the advantages for industrial development, which together with the Chamber of Commerce's comprehensive and beautifully *produced handbook, make up a* concise and invaluable package of information on the island.

The range of industries which the NDC is seeking to attract is necessarily limited, at least until the prospect of cheap energy has become a reality. High priorities are fruit and food processing operations, to help stabilise the island's agri*cultural production and also* allow crops to be cultivated for the hotel trade which can be tinned or bottled outside the tourist season. Suppliers to the tourist industry are another possible field, although the potential range of souvenirs and mementoes is not vast. The area in which most inquiries are being made is assembly industry, such as garment assembly, to take advantage of St. Lucia's low labour costs. Finally there is the field of industries catering for the Caricom market, lucrative enough *with a population approaching* 5m.

Mr. Ferrell Charles, chairman of the National Development Corporation, says: "We are not in a position to start turning up our noses at any industry. We welcome any kind of industry which will make a contribution to economic activity."

Food processing is still raze. But the island has a notable success story in its coconut products plant at Soufriere. Already St. Lucia is the largest net exporter of coconut oil in Caricom; margarine, laundry *and toilet soap are all made* from the same source. Another processing plant which will be in operation in the latter half of this year will be using a crop which St. Lucia has totally abandoned—sugar. That is the distillery being built within the walls of the old Cul de Sac sugar factory sourth of Castries. Owned by the Intercontinental Distilleries Corporation, based in Ottawa, Canada, the plant will import molasses to make special rums for both the Canadian and European markets. It will also distill neutral *alcohol for vodka and gin for* the Caribbean market. All the equipment and services for the EC$7m. project will be supplied from Canada, although the consultant is U.K.-based Peter I'Anson Distillery Services.

Two examples of tourist-oriented industry are Bagshaws and St. Lucia Perfumes. The former is a family-based operation producing trikingly designed silk-screen printed fabrics and a wide range of garments, which have already won a big reputation in the U.S. St. Lucia Perfumes is a similarly organised operation, founded by an expatriate with knowhow and with a love of the island; it produces a range of products *which sell well to tourists.*

There is already a 20,000 square feet garment factory in Castries' industrial estate, which having started out in simple assembly is now planning to expand into dyeing and knitting. Another firm importing fabrics and making them up into clothes is moving into a 10,000 square feet nursery factory on the Vieux Fort estate. As well as two other garment companies, there are two light engineering firms and a furniture manufacturer at Castries. Now the NDC is hoping for a possible car assembly plant to take space at the southern estate.

Incentives for new industry include income tax exemption for between 10 and 15 years, depending on the local value added of the product. Raw *materials, plant and machinery* may be exempted from customs duties. Further income tax relief may be allowed for profits earned on export sales.

In addition St. Lucia, in common with the other small islands, or less developed countries (LDC's) in the Caribbean, has particular advantages to offer to regionally-directed industries, including quota restrictions allowable on import of identical or similar items from the region's more developed countries (MDCs) like Jamaica or Trinidad.

The latest development affecting the establishment of regional industries in St. Lucia is an agreement recently drawn up by the East Caribbean Common Market allocating different industries for each LDC to establish. The condition is that no other LDC will set up a factory in competition with a neighbour for five years. Those industries so far allocated to St. Lucia (and each island is supported to get five) are clay block and roof tiles, bottles, margarine and shortening. But there are widespread doubts about just how effective such an agreement can be, with each island much too keen for industry to turn down any interested company.

However, co-operation has progressed in some cases—notably in a joint operation in St. Lucia in which the four Windward Island governments have put up half the capital for a banana boxing plant, with the rest coming from a Venezuelan paper company. Although the plant was tragically burned down shortly after it opened four years ago, it was rapidly rebuilt and put back into operation.

Acceptable

There is criticism in St. Lucia of the Government's enthusiasm to attract foreign investment. "The Government has started on the old investment by invitation policy," says Mr. George *Odlum, one of the Opposition's* leading figures. "You beg some foreign investor to come out, offer him incentives, and then just feel grateful he is there. They take little time off to look at the real returns. We must distinguish the areas in which foreign investment would be acceptable. Certain areas should be reserved for locals."

Now there is serious talk of an oil tank farm coming to the island, ultimately to develop into a refinery. A Norwegian group has paid EC$50,000 for a year's option on the project, and has just extended that option by six months. The farm would go to either Cul de Sac or Roseau, Geest's two big banana estates just south of Castries. Inevitably the arrival of such an operation will arouse a storm. But Premier John Compton is well aware of the issues involved. "We have to make a conscious choice," he says: "Whether we take the risk of pollution in return for the economic benefits. We have taken the decision to take a risk.

"I admit the spin-off is not that great, and it can be disruptive in an agricultural economy. The total cost would be about U.S.$150m. We must ensure that their 500 jobs do not disrupt an economy of 23,000."

A battle ahead for bananas

THE BANANA industry in the Windward Islands is quite literally fighting for survival. Six years of drought have played havoc with prduction, slashing by half the export crop on which the islands most depend. As the largest producer in the group, growing 40 per cent. of the total, St. Lucia has been worst hit.

The peak year for the industry was 1969: St. Lucia produced almost 85,000 tons for export, earning rather more than 80 per cent. of all the island's export revenue.. Yet by 1973 production had slumped to 35,000 tons, earning barely 50 per cent. of a vastly reduced export income. In 1975 exports fell to a new low of 31,000 tons, in spite of optimistic forecasts at the start of the year hoping for a recovery to some 50,000 tons.

Drought has certainly been the key to the industry's decline, with an effect far more drastic than any of the hurricanes which periodically wreak destruction in the islands, because its effect is cumulative: it has lasted continuously from 1970 to 1975. Many observers are now seriously talking of the industry's imminent collapse unless it can recover a reasonable level of production within the next two years. But the position of bananas within the island economies is more important even than their export earnings indicate.

The history of bananas in St. Lucia is a short one. The crop really took over from sugar only in the late-1950s, spurred on by the depression in world sugar prices, considerable encouragement from the British Government and the purchase of two of the largest and most fertile estates by the Spalding-based fruit and vegetable combine, Geest Industries.

But the changeover from sugar to bananas also transformed the organisation of agriculture from plantation-based, with a shifting population of agricultural labourers, to one based on smallholdings, with a far more stable peasantry. "Each smallholder was his own boss," says Mr. George Mallett, Deputy Premier and former Agriculture Minister. "The whole economy changed. People became to some extent more independent." If the industry were to collapse, that stability would disappear too, it is said.

In the late 1960s there were an estimated 17,000 growers involved in the industry, with another 20,000 people relying on them. In 1969 there were some 20,0000 acres under bananas. But the changes have already been drastic: in 1975 there were only 7,000 growers left, working some 14,000 acres.

One problem was that the drought coincided with the world shortage of fertilisers, and the consequent soaring prices, which followed the energy crisis. Just when growers had their incomes cut by drought, prices of their inputs quadrupled.

BANANA EXPORTS	long tons
1969	84,761
1970	50,210
1971	45,020
1972	46,799
1973	35,156
1974	44,129
1975 (est.)	31,000

Source: Winban

The other major social change that occurred at the same time was the boom in the construction and tourist industries, offering high wages to farmers no longer able to make a living from their land. But to-day, when that boom is over, they are not willing to return to such an apparently hazardous occupation.

The drive to put the banana industry back on its feet is concentrated almost entirely at the production level. "Bananas are the one crop grown extensively in St. Lucia, which has a well-organised market both internally and externally," says Mr. S. Gage, General Manager of the St. Lucia Banana Growers' Association. "We want a rationalisation of activity at the growing end of the industry."

Output

Of the 7,000 growers still in the business in 1975, some 6,000 owned less than five acres of land each. Meanwhile output per acre is desperately low, not only in comparison with the rich banana plantations of Central America, but even when set against that in neighbouring Martinique: in St. Lucia it is between three and four tons an acre, in Martinique about nine tons, and in Central America up to 15 tons.

The range of improvements needed covers the whole production spectrum, from a reorganisation of land holdings, through irrigation, fertiliser use and pesticides, to research, training and extension work.

Premier John Compton sees the primary problem as "the low level of education among the farmers—to get the acceptance of weed killer, or even fertiliser, can take years." At the same time St. Lucia suffers from the same stigma on agriculture as the rest of the Caribbean: "Agriculture in the Caribbean has traditionally been associated with hardship. You are facing a vicious circle, in that if you try to get the younger people into agriculture, their parents would discourage them."

The past six years have inevitably seen a certain amount of automatic rationalisation, with the less efficient farmers being the first to quit and those in dryer areas attempting to cultivate other crops. But one major stumbling block is the existing legal code, the French Code Napoleon, which bars primogeniture, and consequently leads to hopelessly divided land tenure, with as many as 40 people having a claim to five acres of land. Although both Government and Opposition see a change in the law as a high priority, there is still no sign of action.

Irrigation is something which has been cheerfully ignored by farmers who believed the rainfall of up to 100 inches a year was quite adequate. Indeed up to 1970 drought was not a recognised problem. But bananas need a relatively constant supply of moisture, and researchers have shown that irrigation can double yields. Now the British Development Division (DevDiv) in Barbados has been approached to carry out a major irrigation scheme on the island, and the European Development Fund has been asked to finance a comprehensive hydrological survey to find out just where the water is, and where dams could best be installed.

The use of fertilisers and pesticides is the subject of much of the work carried out by the research centre run by the Windward Island Banana Growers' Association (Winban). The centre, based in St. Lucia, has succeeded in rationalising the continual fight against leaf spot disease, cutting by half the number of costly aerial sprayings which have to be carried out each year. Work on nematodes, which attack the roots of the banana plant, has isolated four species, and after treatment yields in many areas have doubled. Through soil analysis the centre's laboratory can advise a grower on the exact combination of fertilisers he should use. More work is going on into how to increase the efficient use of fertilisers and so reduce the total consumption.

The centre has also introduced farmers to practical aids such as sleeves to cover unripe fruit, specially designed boxes to transport bananas to the packing stations and cableways to carry fruit direct. But the centre, which has just celebrated its tenth anniversary, can only encourage marginal improvements in efficiency.

It was British Government aid which has already saved the industry once from collapse, when the cost of fertilisers was subsidised to the growers in late 1974. But in the past, as Mr. Gage says, the aid has always been given "in a piecemeal sort of way." Finally, in July last year the Overseas Development Ministry hired a team of British consultants, ULG of Warwick, to carry out a comprehensive study of the industry, from smallholder through to the British market.

Pricing

Their brief was very broad, including pricing policies and financing of the individual growers' associations, their efficiency in transport and spraying, staff and training needs, insurance of growers, procurement of bulk supplies, boxing of bananas and the whole question of the islands' contractual relationship with Geest, as the sole buyer.

The consultants' report is due out in early February. It will include recommendations for a five-year plan of aid to the industry, with absolute priority given to increasing immediate output to an economic level.

While the Overseas Development Ministry has been careful not to commit itself to any specific amount of aid until it sees the report, Winban is hoping for something approaching £4m. to £5m. over the next four to five years. That is likely to be about the cost of the full five-year plan.

There are fears within Winban that the report will play down the role of their research centre, which is anyway having to cast far afield to find enough cash to keep going, with British aid confined to the salaries of British research staff seconded there. But what the consultants point out is that the industry is having to carry the same total organisation with half the output and real income it once had.

The consultants are also concerned to clarify just what is the future position of the Windward Islands industry in the European market, in competition with the other developing countries given access under the EEC's Lome Convention. For the Windward Islands are inevitably going to be high-cost producers of bananas. If the islands have to face open competition from more efficient producers, then there is simply no viable future for their banana industry.

In the late 1960s the Windward Islands and Jamaica together managed to supply 98 per cent. of their guaranteed market in Britain. In 1975 that share had fallen to less than 50 per cent. It is clearly recognised in St. Lucia that if production does not recover, Britain will not go on for ever maintaining preferential treatment, when bananas are cheaper and more plentiful elsewhere.

New markets for new crops

THE CRITICAL state of the banana industry has given a new urgency to attempts to diversify agricultural production in St. Lucia into other crops. Indeed the inevitable reversion against monoculture has encouraged some of the most promising new developments in the island.

"We owe a tremendous amount to the banana industry, but we are very aware of its vulnerability," says Mr. Ira D'Auvergne, the Minister of Agriculture. "Our preferential position in the British market has been whittled away because we have not been able to meet our quota. As Minister of Agriculture I am paying urgent note to alternatives to put agriculture back on its feet."

The first obvious direction for diversification has been towards the traditional crops which had been neglected in the 1960's great rush into bananas.

Coconuts have provided St. Lucia's second largest export crop, copra, and it was the one commodity whose production barely suffered. Coconuts have always provided a good, steady living for growers. Lately the market has become even more attractive. With the development of the Copra Manufacturers' Association plant at Soufriere, St. Lucia no longer exports copra to the neighbouring islands but processes it all into oils and fats. The island is now the largest net exporter of coconut oil in the Caribbean, with a guaranteed Caricom market for its product. Recently it has expanded its processing to include margarine, as well as soaps.

Increasingly coconut palms are being planted mixed in with bananas, both protecting the more fragile plants from wind damage, and promising some return to the grower if drought affects his banana crop. The other main development planned is to breed a coconut variety resistant to the lethal yellowing disease which has decimated the crop in Jamaica. A programme to expand planting at the same time is being discussed with DevDiv, the British Ministry of Overseas Development's offshoot based in Barbados.

Cocoa is a commodity whose production is again being encouraged after a disastrous slump in the 1960s, along with the island's traditional output of spices, such as nutmeg, cinnamon and mace.

But the most interesting ventures have been into the areas of so-called "exotic foods," tropical fruits like mangoes, guavas and pineapples, and vegetables like pumpkin, aubergines, avocados, ochra and root crops. The market for such foods has only recently developed, both in the U.K. and Canada, first because of the growth of West Indian communities in both countries, but also because of increasing sophistication of tastes among the general public.

Prices for such foods are generally so high that it is still possible to air freight them and sell them at a competitive price. But St. Lucian producers may also be in a good position by having the banana boats available to carry other relatively delicate crops as well.

Indeed the Geest organisation, which owns the boats, is itself keen to expand production of such crops. Both avocados and pineapples are now being grown on the company's Roseau estate in St. Lucia. Already there are seven acres of pineapples planted, and farmers are being encouraged to do the same. Avocados present greater problems because they would be less likely to survive a sea journey to Britain. But ultimately the researchers hope to have four or five varieties which can be harvested at different times of the year, providing farmers with a year-round crop.

Perhaps the vegetable which has been furthest developed is the aubergine, which is being grown at Dennery, one of the last big private estates on the island. This year the estate hopes to send some 600 tons to Britain, thus taking over as the largest single supplier to the British market.

But one of the main aims in diversifying agriculture is to persuade farmers to grow more crops for the local market, to cut down on St. Lucia's huge food import bill.

The hotels are perhaps the biggest culprits, importing up to 90 per cent. of their food requirements. But the problem is that demand from the hotels is so seasonal that farmers who hope to cater for them have in the past found themselves over-producing. Here the need is clearly for a food processing industry which can take regular production of fruit and vegetables, allowing the surplus to go to the hotels.

Fishing is also coming under scrutiny as an under-exploited part of the economy. The UN Food and Agriculture Organisation is at present working on prototypes for fishing boats which can go farther out to sea than the traditional St. Lucian dug-out, without pricing themselves beyond the reach of the fishermen. They in turn are being encouraged to form co-operatives, both to buy themselves bigger boats, and to market their produce.

The other key sector of agriculture which could be expanded is the livestock and dairy industry. Here the Ministry of Agriculture has imported livestock, and launched an island-wide artificial insemination programme.

The Executive's World

Henry Scott-Stokes describes Eastern attitudes to the world's largest computer company

Japan ponders the IBM challenge

THE END of last year the ...anese computer industry ... completely liberalised to ...eign direct investment. At ... Fujitsu headquarters, just ...oss the road from the ...eign Correspondents Club in ... Marunouchi district of ...yo, they are remarkably dis...et about what this means; on ... one hand they profess to ...completely confident of their ...ity to compete with IBM—... matter how many companies ...er than Fujitsu (Japan's ...ling computer firm) have ...ady fallen in the breach; at ... same time they doubt ...ther Japanese computer ...s will ever make much of a ...of it against IBM, which has ...0 per cent. share of the ...anese market, unless all ...estic firms unite under one ...ner (that of Fujitsu).

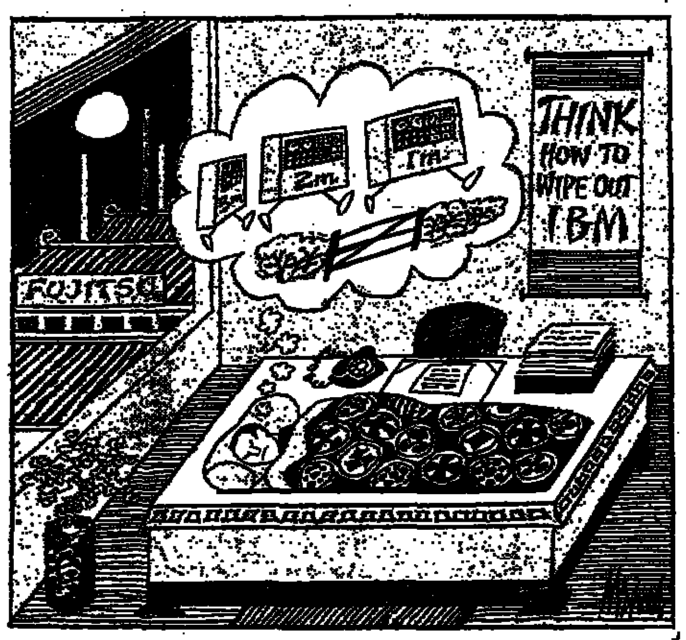
...ch indeed is the scheme ... forward by men like Mr. ...zawa, a former Vice-Minister ...he Ministry of International ...le and Industry (MITI), ... a director of Fujitsu, and ... industry "experts" like Mr. ...ezo Inaba, a former head of ... Sankei newspaper, who runs ...omputer development insti... in the big Kasumigaseki ...craper by the Ministry of ...nce.

...r. Inaba, who is one of the ...erous "wise men" of ...nese industry, strongly ...eves that competition with ... is a waste of time and is ...ned to failure if Japanese ... decline to buckle down ... combine their efforts. "The ...nese companies are just too ...l, they can't afford to split up and be defeated one by one by IBM. Combination is the only way," he told me.

Fujitsu people echo this sentiment: but their condition—that Fujitsu should be the leader of the band—is not an easy one for the other companies concerned to accept; Hitachi, which already works very closely with Fujitsu and has developed hand-in-hand with it the M series of big computers, has taken the decision to go along. And so has Mitsubishi Electric, which was never very hot in computers but which matters because of its membership of the Mitsubishi group—which can offer Fujitsu and Hitachi its almost unparalleled sales network overseas via the offices of Mitsubishi Corp.

Rival

The troubles arise with Toshiba, always a bitter rival of Hitachi, though a second-runner by nature in every field; and above all, with Nippon Electric, the esteemed communications specialist of the Sumitomo group. MITI people would like Toshiba and Nippon Electric, which have been co-operating for some years, to team up with the other group of Japanese computer firms; they have agreed to do this—but only at the research level on the "next generation" of computers, those which will follow the M Series as probably Japan's best computers. What is not yet clear is whether Nippon Electric and Toshiba can cut across traditional Japanese group allegiances (the latter is a Mitsui firm).



For those not familiar with the complications of Japanese group "politics," the structure may be described as follows:

The first stage. Six major companies commit themselves to computers in the 1960s: Fujitsu, DKB-Furukawa group; Hitachi, independent, centre of its own group; Mitsubishi Electric, Mitsubishi group member; Toshiba, a Mitsui group member; Nippon Electric, Sumitomo group; Oki Electric, Fuyo group.

Under MITI pressure these six organised themselves into three groups in the early 1970s, with Fujitsu and Hitachi co-operating on R and D; and Toshiba and Nippon Electric, and Mitsubishi Electric and Oki Electric—both of which have technical links with Univac, of the U.S.—forming the other two teams. The first of these three, led by Fujitsu, proved to be much the strongest, with its sales efforts a challenge to IBM, which is solidly entrenched in Japan with a 100 per cent. subsidiary.

The second stage. Last year, MITI bullied Oki Electric into dropping out of computers as a whole and concentrating on terminals; this was not difficult as Oki is acknowledged to be the weakest of the six firms, and is readily able to concentrate on one speciality: terminals. Equally, Mitsubishi Electric had no qualms about involving itself in what has emerged as the strongest team in Japanese computers: Hitachi-Fujitsu.

The third stage. This is the trickiest. The MITI desk plan, promoted by intermediaries like Mr. Inaba, is to have the Mitsui and Mitsubishi groups let their computer arms combine—much as the trading firms do overseas on really big projects; the considerations of face and of prestige are such, however, that deadlock ensues despite MITI offers of subsidies unofficially estimated at over $150m.

Caught up

In the meantime, two cardinal considerations present themselves. One is that Fujitsu is doing well in the Japanese market. Market shares in 1974 were, in terms of value, IBM about 30 per cent, Fujitsu 20 per cent., Hitachi 19 per cent., Nippon Electric 16 per cent.—with the Univac-linked Mitsubishi and Oki accounting for a large part of the balance. Fujitsu has claimed to have caught up with IBM in the Japanese market in 1975 although market share figures to substantiate the claim are not yet available. This is as a result of a vigorous sales effort sustained over several years, and to lower prices for its models (trade sources say that Fujitsu is undercutting by up to 40 per cent. on mainframe models of comparable performance) and also to a little gentle exploitation of the residual chauvinism in Japanese business.

The campaign has become heated at some stages, and Fujitsu at one point issued a manifesto, written by a senior manager, to explain to IBM Japanese staff (all IBM staff in Japan, and all directors but one are Japanese nationals) how they were letting down the nation. This intriguing document ran as follows:

1—Have you ever thought as a Japanese, with your hand on your heart, what signifies the domination by foreign machines of the computer field, now that computerisation is assuming flood proportions and penetrating all aspects of the lives of the citizens?

2—IBM, leader of the multinationals, carries out foreign exchange speculations, taking advantage of the instability of the international money market. The result is that our livelihood, which we Japanese have built up by working strenuously, is being threatened. Doesn't working for the Morgan financial clique give rise to self-doubt?

Not that chauvinism was the key to Fujitsu's sales efforts. Essentially, the merits of its machines have helped it to make headway in the domestic market: the company lags behind in software—"by a good five years, which was the gap five years ago too" according to IBM people—but its hardware is competitive (hence the decision to launch a world-wide sales campaign with the M series, beginning in Spain last year, where a major order was secured. By the end of the decade Fujitsu intends to have 30 per cent. of its sales overseas).

The other consideration is that Toshiba and Nippon Electric may refuse to co-operate with the leaders. As Fujitsu people see it Toshiba and Nippon Electric have made a crass error in concentrating on IBM "non-compatible" computers: this raises an ancient debate, long conducted within the international computer industry—but Fujitsu people have no doubt who is right. Essentially, they favour an aggressive posture: "defence is all very well, and you can do that if you are non-compatible, but we think that attack is the best way of life" the MITI official in charge of the industry remarked to me.

The argument has not yet been resolved but there is no doubt where government preferences (which tend to determine official subsidies) tend to lie at present. That the mainstream should be sympathetic to Fujitsu and Hitachi is meanwhile the logical consequence of the biggest move in the Japanese computer industry to-day: concentration of all Japanese research efforts under the aegis of the NTT (Nippon Telegraph and Telephone), the public corporation which has the largest funds and probably the best computer research teams in Japan, with the MITI computer laboratory also co-operating.

Collaborate

The funds available for this research effort may be tentatively estimated at $300m. over a two-three-year period; and the Japanese are taking it very seriously. "This is our Apollo project," said the Nihon Keizai newspaper, commenting on the announcement that all Japanese computer firms would collaborate in this research effort: implying that the technology spin-offs would be great. The logic of this, though, is that Toshiba and Nippon Electric should abandon their costly, loss-making independent efforts in computers—Nippon Electric has a perfect "out" in that it is unquestionably No. 1 in communications (the complement to computers).

Meantime, the sales battle goes on in Japan. The efforts of Fujitsu's foot-soldiers have been rivettingly described in a local weekly magazine, which recently gave this vignette of a weary salesman making his way home late at night (headline: "An Unusual Return Home on the Last Train"). "One late night towards the end of September at Kokubunji station (on the outskirts of Tokyo) passengers were pouring out of the last train home and rushing to the taxi rank to grab a cab. For Mr. A, 32, who belongs to the marketing department of Fujitsu, it was a long time since he had taken the last train home. It was not because he was unusually late that night. In fact he had not been home for about a month, having been busy at the office. He had been sleeping at the office . . ."

People are not inclined to believe this sort of thing: they say one is being unkind to the Japanese. Which is partly why I leave the extract in quotations, rendered in Japanese English though it is. And what is Mr. A thinking about? Here the magazine indulges in a little mind-reading: "It was raining. Looking up at the sky he mumbled to himself: 'I really feel tired. But as long as IBM is not wiped out, this type of hard work must continue'."

Inside BSC

BY ADRIAN HAMILTON

THERE WAS a marvellous moment in last night's 1½-hour Granada TV documentary on decision-making in the British Steel Corporation, when a board member, outmanoeuvred and outvoted in the crucial Policy Committee meeting, tears up his notes with great deliberation while his chairman, gracious in victory, concedes that his opponent has a point, but adds that these questions are ultimately a matter of judgment beyond the mere financial questions which have been raised.

One could hardly blame the poor board member, Mr. Lionel Pugh, for his gesture. The decision in question — whether to order one or two units, or none at all, of a new direct iron reduction type at Hunterston in Scotland — had clearly been something of a fait accompli from the start, and the chairman's personal commitment at that. The planners and facts and figures boys are only called in late, when a deadline for ordering the plants is already hard upon them. And from the beginning they seem dubious about the economics of the whole project but, uncertain what they're supposed to do about it.

Then, just as the confusions appears ready to topple the Corporation over the deadline, Sir Monty Finniston neatly cuts the ground from his opponents' feet by the delightful ruse of getting the planners to go back and re-work their projections on entirely different figures which must favour his view. Before very much can be done about it, the Corporation goes from the idea of ordering one plant to ordering two, at a better unit price but with dubious long-term supply need. The policy Committee folds before the inevitable. The full Board backs the majority opinion and only Mr. Pugh is left recording his lone dissent from both the decision and the means by which it was arrived.

Compulsive

It's all compulsive viewing and, whether accurate in its overall impression or not, certainly fits the way in which many business decisions are arrived at in this country—as much the product of personality struggles as hard assessment and in which economics are frequently used to justify post hoc the moves already made by individuals.

But can a television team, with all the paraphanalia of equipment required, really record such decisions as they happen, without inspiring self-conscious response and without distorting reality through its need for the dramatic?

Granada Television clearly thinks it can. The idea of a very bright and articulate American producer/director, Mr. Roger Graef, who has already been responsible for similar cinema verite exercises on the civil service and Brussells, the latest three-part series has the ambitious object of examining how decisions are reached, first in a nationalised industry, then in a local council and then in the oil industry.

On the evidence of the first of the series, Granada is surely right to try. It may be that some self-consciousness distorts the earlier sequences and that the viewer is left confused by the multiplicity of titles and faces and the lack of knowledge of what went on before.

But scenes such as that of Mr. Pugh disdainfully picking up the revised planning projections as if they were dirty socks left in the food pantry; and the scenes in which Mr. Ron Atkin rings up the chairman of the German contractors (Korf) to make the other side sweat a little before the final contract is signed—all these ring too true to be staged.

And the film raises a host of fascinating questions. On seeing the preview, Sir Monty Finniston is supposed to have commented that the public would be surprised by both the sophistication of the planning analyses and the fact that considerations other than computer projections can decide a development.

The statement is fair enough. The film does show that BSC's final decision to go ahead with the ordering of a direct reduction plant at Hunterston last year owed as much to emotional reaction against the previous period of scrap shortage and miners' strikes, and the general feeling that to be on a new technology was a good thing as ever it did to hard option analysis. Once the emotional commitment, or judgment, was there, then economics dictated that it had to be a two unit plant because it was the only way of reducing the otherwise hopeless economics of using a single plant.

But the impression given by the film that the options of keeping old blast furnaces running instead was never really considered; that most of the people involved spent a great deal of time worrying about what the chairman personally wanted rather than being able to define what they should be contributing to the discussion; the general plethora of departmental heads that seemed to get involved at one stage or another and the fact that the figures could be finally made to fit the commitment rather than the other way round, does pose interesting questions on BSC's management structure and style. More broadly, watching the film one is left wondering whether union participation early on in debate is that much to be feared and whether the non-executive directors supposed to supervise such decisions on the main Board were really fulfilling their function.

Any film, however far it enters the Boardroom door, can only be part of the truth. And no doubt there are other truths on this occasion too. But at a time when the spirit of Crossman is abroad and when journalists, protecting their sources and in search of a scoop find it particularly difficult to go into details on decision-making in companies, Granada's efforts do break new ground. And, it will perhaps increase the sum of human knowledge by concentrating on the specific and letting the general emerge of its own accord.

BUSINESS PROBLEMS BY OUR LEGAL STAFF

Operation of the premium

Referring to the operation of the premium when buying or selling foreign currency securities quoted in London I do not quite understand the actual working of the system. Assuming a premium of 60 per cent. (a) if I buy 100 shares quoted at £16 per share how much do I have to pay (brokerage, etc. disregarded) and (b) if I sell 100 shares quoted at £16 how much do I receive?

Since the price of foreign stocks quoted in London includes the investment currency premium, the cost of 100 shares at £16 each, your question (a) would be £1,600, disregarding the other costs of the transaction. On sale of the shares, however, you would be subject to the 25 per cent. surrender rule, which in effect requires you to give up 25 per cent. of the premium received to the authorities and leaves you with only 75 per cent. With a 60 per cent. premium, therefore, the answer to your question (b) is that the net proceeds to you on sale of 100 shares at £16 would be £1,450 (that is the basic price of £1,000 plus three-quarters of the £600 premium).

Offers for sale at a price

In a recently published brochure an item was shown in our shop window at a price which was valid at the time the brochure was printed. However, the value of this item has risen by some 25 per cent. and we wish to sell this item in our showroom at the new price.

If goods are on display in a shop window at one price can the shop be forced to sell at that price, or can they in fact charge a higher price inside the shop?

The normal rule is that goods on display in a shop window with marked prices are not an offer for sale at that price (in which case the customer could insist on buying at that price by his oral acceptance of the offer) but only an invitation to treat. However, priced goods in a shop have been held to be an offer for sale, and the provisions of Section II (2) of the Trade Descriptions Act 1968 make it an offence to display goods at a price less than that for which they will be offered for sale. We think that you may be able to revise the price in the case of a genuine error such as you describe, but it would be wise to have a statement both in your brochure and in the window that prices may be subject to revision by reason of increased costs.

Possession of business premises

We own business premises into which we have been unable to gain admission and on which there are large arrears of rent. We have been advised that to obtain possession of the premises we have to serve a three-month Section 146 Law of Property Act notice. As the premises are deteriorating, can we not sue at once? Can you quote us a precedent?

You do not need to serve a Section 146 notice if you are proceeding to forfeit for arrears of rent. A writ can and should be issued at once. If, however, the whole arrears of rent and costs are paid the tenancy will be reinstated. We suggest that you consult a solicitor immediately. The case which has most relevance to your position is Gill v. Lewis (1956) 2 QB1.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

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WEDNESDAY, JANUARY 28, 1976

Intelligible doubts

EQUITY Investments Limited, even after yesterday's meeting, is still in the *blueprint stage*. The Bank of England, anxious *to rebut criticism that the City* is unable or unwilling to raise *for industry the amount or type* of capital it needs, has been seeking on and off for some time past to persuade the major institutional investors to put some of their money and influence behind a new body that *would provide equity capital* to companies unable to raise it *through traditional channels*. The Macmillan Gap of the '30s, it seems to be assumed, is still operative in the '70s.

Many of the institutions concerned regard this as begging the question: the market may have found it difficult to raise fresh capital while sentiment and prices were both depressed by Government action, they would argue, but the recent spate of rights issues is clear *evidence that new equity capital* is available in ample quantity when the conditions are right. But one of the two main arguments in favour of establishing EIL is that a specialised gap in the provision of capital does exist or could come into existence when credit conditions become tighter, as in the case of companies that are still *private* or are *over-geared* or simply have an unjustifiably bad name. The other is that a body like EIL could discourage some future government from directing the institutions where to invest their money.

Political aim

Although some of those who support the project may deny *that any such political considerations* are involved, many of the various doubts raised by some of the institutions which have been approached have a political colouring: in particular, they tend to reject the idea that establishment of EIL would have any deterrent influence on a government determined to intervene *directly in the investment* policy of institutions. Even at a more detailed level, however, the drafting points which were discussed yesterday are not merely technical but raise issues of principle.

There is first of all the extent to which the new body *would* be expected to seek out clients and insist on managerial *changes when it regarded these* as desirable—how far, in fact, it would be expected to supplement *the function*, which has not so far been exercised *with overwhelming vigour* or effect, of the Institutional Shareholders' Committee, another brainchild of the Bank of England. The second is the extent to which its members would be expected to commit resources: the large figures bandied about publicly as a *vague eventual goal for the* capital of EIL have certainly increased *the doubts* of the doubters. The third, allied to this, is the extent to which EIL would grow under its own momentum and simultaneously become an equity provider of last resort for companies which were unable to raise capital elsewhere, an investment in *which would* therefore *be of* dubious initial value. The *fourth is the differing* requirements of different institutions and the fact that the refusal of any to take part throws a greater burden on the remainder.

Responsibilities

It may well be that some compromise can be *reached* over the actual drafting of the *articles* and that grudging agreement can be reached to at least give the idea a trial. But it ought not to be forgotten that, to get a fair trial, EIL will need not only the cash but the enthusiastic support of the institutions, which for the moment it unquestionably lacks. If—as would be *likely*, even *if* more enthusiastic support were *forthcoming—the new body* were to reject a large proportion of the applications for capital which it receives, the pressure for direct government intervention of some kind might well become more rather than less pressing. The institutions, moreover, must never for a moment forget that their primary responsibility is to shareholders, policyholders and pensioners, with more general *responsibilities for the efficient* working of the capital market coming some way behind. If any government wishes them to alter their order of priorities and relegate to second place the interests of those whom they were established to serve, that government should bear the odium of issuing a plain directive—and its political consequences.

With detente making slow progress, the U.S. yesterday outlined its plans for immediate and longer-term military spending. **Malcolm Rutherford** analyses the problems posed to the West

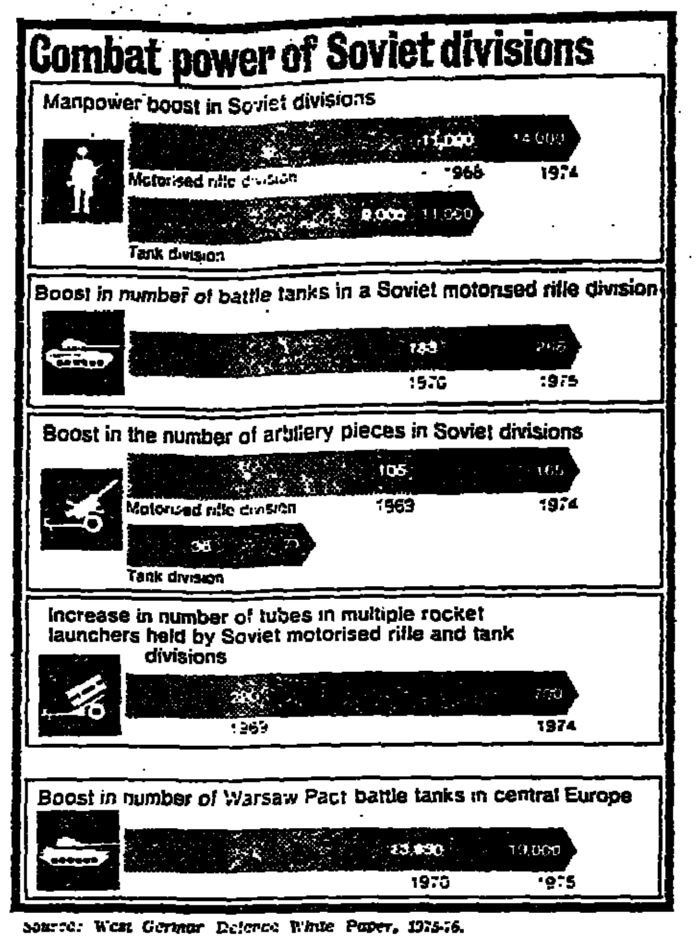
Time for a reassessment of Soviet attitudes

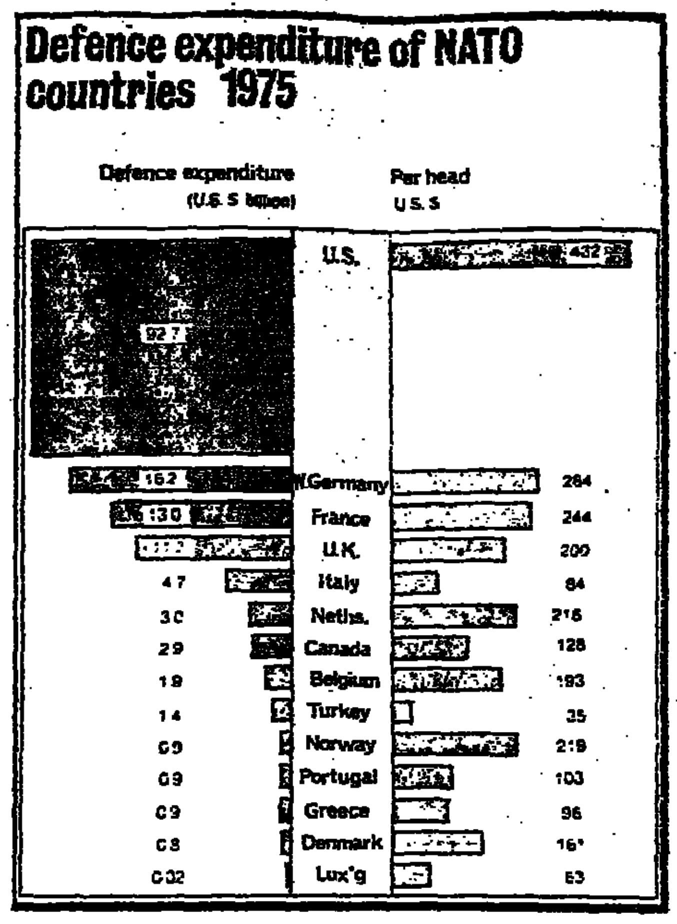
IN testimony to the Senate Foreign Relations Committee in September, 1974, Dr. Henry Kissinger, the U.S. Secretary of State, made what he still regards to-day as his definitive statement on the theoretical basis of detente and the strategic relationship between the United States and the Soviet Union. The statement was long and detailed, setting out U.S. objectives and the yardsticks by which Soviet behaviour should be judged. It is worth re-reading to-day, *for* it shows that even by Dr. *Kissinger's own standards the* objectives are not being achieved and that Soviet behaviour is wanting.

To say this is not to say that detente is dead, nor that it should cease to be pursued. It is not to say, either, that the West is reaching the point *of defencelessness in the* face of increasing Soviet military *power*. These are separate points which are dealt with later in this article. It is to say, however, that detente as it has been understood in the past is not working.

In a rhetorical flourish at the end of his statement, Dr. Kissinger laid down the condi*tions of the bargain:*

"If the Soviet Union uses detente to strengthen its military capacity in all fields; if in crises it acts to sharpen tension; if it does not contribute to progress towards stability; if it seeks to undermine our alliances; if it is deaf to the urgent needs of the least developed and the *emerging issues of interdependence*, then it in turn tempts a return to the tensions and conflicts we have made such efforts to overcome."





Source: West German Defence White Paper, 1975-76.

A bargain not kept

By none of these criteria has the bargain been kept. The only argument can be about the extent to which it has been broken. The military capacity of the Soviet Union has steadily increased both qualitatively and quantitatively. The Soviet Union *has not notably contributed to* lessening tension or promoting stability in the Middle East or Africa. It sought to undermine the Atlantic Alliance by its activities in Portugal, though it may have backed down after Western warnings about the consequences for detente. It has shown no interest whatsoever in the needs of the least developed countries.

It is possible to say that the criteria were unilaterally imposed by the Americans and that the Russians never formally accepted them. That, however, is to forget, as many people do, the document called *Basic Principles of Relations between the USA and the USSR* which was signed by President Richard Nixon and Mr. Leonid Brezhnev, the Soviet Party leader, in May, 1972—the same time as the first strategic arms limitations agreement (SALT 1).

Principle Two of the agreement says that the two countries

"attach major importance to preventing the development of situations capable of *causing a dangerous* exacerbation of their relations. Therefore . . they will always exercise restraint in their mutual relations, and will be prepared to negotiate and settle differences by peaceful means. Discussions and negotiations on outstanding issues will be conducted in a spirit of reciprocity, *mutual accommodation*, and mutual benefit.

"*Both sides recognise that efforts to obtain unilateral advantage at the expense of the other, directly or indirectly, are inconsistent with these objectives.*" (My italics.)

Can anyone seriously argue that the Soviet intervention in *Angola is not an attempt to* "obtain unilateral advantage" and therefore not an infringement of this agreement?

It may be said that the language quoted so far is vague and open to all sorts of qualifications of degree. Yet it is possible to be more specific about Dr. Kissinger's own assessment of detente. In the *same 1974 statement to the* Senate Foreign Relations Committee, *he said "major progress"* had been made on several fronts. One was Berlin, another the European Security Conference (CSCE), yet another was the talks on East-West force reductions in Central Europe (MBFR), and a fourth was "the honourable termination of *America's direct military involvement in Indochina*," an "achievement" which "would have been much more difficult—if not impossible—in an era of Soviet and Chinese hostility toward the U.S."

Only on Berlin can the same be said to-day, and even there the situation requires maximum watchfulness by the Western powers. The CSCE was fought to an honourable, if rather *pointless, draw, largely because* of the persistence of the members of the European Community and the European neutrals. The MBFR talks, which resumed this week in Vienna, have made no progress at all since they started three years ago.

As for Indochina, *it is true* that a large part of the blame *for the final debacle attaches to* the U.S. Congress for blocking the aid appropriations, but the Soviet Union, which was among the guarantors of the Paris Agreements on Vietnam, also took actions, such as the sending of arms, which made possible the North Vietnamese takeover last year.

There is another way in *which Dr. Kissinger's definitive* statement on detente looks dif*ferent to-day. Detente, he said* then, "cannot be pursued selectively in one area or towards one group of countries only. For us detente is indivisible." At that time it was usual to speak of detente mainly in the context of Europe—the early 1970s were after all the years of the *Ostpolitik*, the Berlin agreement, and the CSCE. Dr. *Kissinger's very necessary* qualification was that it should be worldwide. Yet if by now, and it is a big "if," detente in Europe can be said to have been satisfactorily achieved, how does it look elsewhere? The answer must be that the Russians have shown by their actions in Angola, and by the military build-up which has made such long-range intervention possible, that they do not *subscribe to the Kissinger doctrine.*

All this has happened at a time of a weakening not so *much of American power as of* the will to use it. It has been this coincidence which has led to suggestions that detente is a one-way pull and that the West has become dangerously weak. Yet it is perhaps more appropriate to say that the West has a chance to reassess its interests and to take stock of Soviet intentions and capabilities in the *light* of recent events.

Strategically, the vital interests are the defence of North *America, Western Europe,* North East Asia (because of Japan) *including the maintenance* of their ability to trade and, to some extent, the Middle East. Mainland North America is not in much danger and in any case its defence rests on the nuclear deterrent which, for the time being at *least*, is satisfactory. The defence of Western *Europe has its weak points, but* also some notable strengths: for example, the continued emphasis placed on defence policy by the Government of France and its renewed interest in defence co-operation with its European partners; or again the rise of the *Bundeswehr* and the emergence of West Germany as the European leader of Nato.

Japan has the good fortune to be able to rely not only on U.S. *support*, but also on the Sino-Soviet split. There are signs, too, that it is beginning to pay more attention to its own defence requirements. There would be a problem, indeed a full-scale crisis of confidence, if neighbouring South Korea were to collapse in the face of aggres*sion from the north*, but at present both Moscow and Peking seem to be exercising some restraint on the North Korean President Kim Il Sung. It is not an immediate danger.

The Middle East is included partly because of oil supplies, partly because it is probably the single most likely area where a local conflict could erupt *into a superpower* confrontation, and partly because of a moral commitment to Israel. Yet it is an area where the U.S. enjoys one supreme advantage over the Soviet Union: it has influence on both the Israelis and the Arabs and only it can persuade them to settle their differences. If there were a settlement, including a settlement of the Palestinian *problem*, some of the always latent conflict in the area would *presumably be at least* diminished. A Middle East settlement should therefore be a paramount aim of U.S. foreign policy.

A standing reminder

Angola is not a vital interest. Indeed there are considerable compensating advantages to the West from the Soviet intervention. It is a standing reminder to anyone who doubted it that the Soviet Union is an expansionist power. It should encourage others who have reason to be wary of Soviet behaviour—for example the Scandinavians—to raise their guard while there is still time. It decreases the chances of a Sino-Soviet *rapprochement* which, if it took place, would be one of the biggest conceivable blows to western security. Not least, it raises the possibility *that the Russians will become* seriously over-extended.

Dr. Kissinger has argued that the West should match the Soviet contribution in Angola nevertheless. Quite apart from *the fact that Congress* has denied the means of doing so, his argument ignores the principle well understood by Dr. James Schlesinger, the former Secretary of Defence: it is not necessary always to respond to Soviet probes in the place where they are made. Even if the Russians establish naval bases in Angola and the means *easily to challenge* Western shipping lanes, there are plenty of places where they can themselves be challenged.

If the above analysis is accepted, it can be seen that *although some of the hopes* placed on detente have not been realised, the basic Western position is still sound. Detente is still desirable, but we need to be stricter about the criteria. In particular, the U.S. should make no unnecessary concessions for the sake of a second *SALT agreement* and the Western powers should insist that *the main yardstick of detente* has become the Soviet attitude to MBFR. It is, after all, the rise of Soviet military power which has caused the present anxiety and the Russians have it in their hands to reduce it at the Vienna talks.

The U.S. veto in the Security Council

THE DEBATE in the United Nations Security Council on Palestine, which has ended with *an American veto, has done* little or nothing to bring forward the possibility of progress in the Middle East, and it may well have made matters worse. Above all, it puts the United States and Israel in an even more difficult position than before. An American veto was *in the last resort inevitable, if* only because the resolution included an explicit *demand* for the right of Palestinians to return to their homes. Whatever the original rights and wrongs of the events surrounding the creation of the state of Israel, it must be impossible on *strictly practical grounds*, after the passage of so many years, for the Israeli Government to guarantee that any and every Palestinian could return to the precise home that his family once occupied—to say nothing of the political consequences of such a large influx of Arabs.

Pressure

By insisting on such a hard line *the Syrians and their* friends may well have overplayed their hand, *in terms of* international support; in the final vote, at all events, the resolution got less support than might have been anticipated.

But the paradoxical effect of the vote has been to increase pressure on the U.S. to find some way forward, in circumstances that are anything but propitious. Having devoted considerable diplomatic effort to the task of persuading the Arab world that the U.S. can play a constructive role between them and Israel, the administration has been forced to reject Arab demands, just at the moment when the Israeli prime *minister arrives for a full-scale* visit to the U.S.

The immediate Syrian reaction to the American veto has been to rule out the possibility of new talks in Geneva. *This in turn raises* an ominous question mark over the UN mandate on the Golan Heights, which the Syrians agreed to extend until May, but only on condition that the Security Council debate be held. As it turned out that debate may well overshadow the significant shift *in American policy towards the* Palestinian question which has *taken place in recent months.*

Conditional

The Israeli Government may feel that there could be some advantage to be gained from playing for time, in the hope that a new President and a new administration would be more sympathetic to Israeli interests; the increasingly conditional *support of the Ford Administration* can only have been *underlined by the sharp cut* in American military aid to Israel planned in budgetary 1976-77. But it is precisely because this is an election year, and one moreover in which he is far from certain of being his own party's candidate, that President Ford cannot himself have any interest in playing for time in the Middle East.

While much will hang on Mr. Rabin's visit in Washington, and on whatever hard talking goes on behind the scenes, much will also depend on events in Lebanon. Here the Syrians have so far played a moderate and realistic role in seeking some accommodation of the rival claims of Christians, *Moslems and Palestinians*. If they and the Lebanese can move *forward from a ceasefire*, that process may do something for *the legitimation of the Palestinians* without recourse to the atavistic slogans which *marred* the PLO case in the Security Council.

MEN AND MATTERS

Adam Smith rides again

Forget the impertinent 13 colonies which this year are celebrating the bi-centenary of their independence declaration in *1776*, and join the *Liberty Fund* in commemorating a much more *important anniversary*: the publication of Adam Smith's *The Wealth of Nations*.

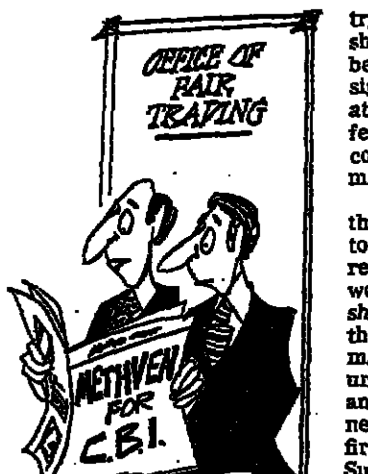
First the Liberty Fund. It was set up in 1960 by Pierre Goodrich, an Indiana millionaire related to the Goodyear tyre *family but not directly* connected with the business. On his death in 1973 the fund inherited all his assets: currently these amount to $27m. and the fund reckons to spend around $1.25m. a year with a view to "encouraging a society of free and responsible individuals."

The fund sets about this, according to executive director Neil McLeod, through organising educational conferences, symposia and lectures, and in supporting research projects.

The latest attempt towards achieving its aims is a 28-minute film (its first) on Scotland's most famous economist and his best-known work. Adam Smith's *still timely words on division of* labour (remember the pin*making analogy*) and his emphasis on the free market economy come to life—uttered in the mellifluous tones of Gordon Jackson, better known to most as Hudson, the butler in the TV series *Upstairs, Downstairs*.

It is hard to resist the attraction of Smith's logic and Jackson's diction. "Great nations are never impoverished by private, though they sometimes are by public prodigality and misconduct. It is the highest impertinence and presumption, therefore, in kings and ministers, to pretend to watch over *the economy of private people*. For kings and ministers are themselves always, and without exception the greatest spendthrifts in the society. Let them look well after their own expense, and they may safely trust private people with theirs. If their own extravagance does not *ruin the State*, that of their subjects never will."

Critics at the preview however queried the omissions from Smith's major work. "What about the labour theory of value which Marx picked up via Ricardo?" asked one. McLeod fielded that one nicely *by saying that in his view* that was one of the chinks in Smith's armour. Later, the director of the film, John Haggarty, pointed out that in 28 minutes something had to be left out. "It takes 30 hours to read *The Wealth of Nations* out loud," he commented. "I know, because I've done it."



"Good lord, our gamekeeper is turning poacher!"

Starting again

The Gardner brothers are hoping to repeat a retailing success story. In 1960, Derek Gardner gave up schoolteaching, borrowed £3,000 and opened a photographic shop. Thirteen *years later, he sold out a chain* to Debenhams for around the £1m. *mark but continued* running the business which bore his name. From the end of February, however, he is off to start up "retail leisure centres" on his own account.

Mervyn Gardner, who went straight from school into his elder brother's first store in Leatherhead a few months after the venture started, is off to the new leisure chain too. The pair of them recently sold the 833,000 Debenhams shares (Mervyn had owned a 20 per cent. stake in the family company) received under the acquisition terms, but Derek Gardner stresses there has been no row *with Debenhams which, he says,* did consider backing his new scheme but decided to stick to its policy of concentrating on department store development.

From that first shop, the Gardners have expanded primarily by concession operations within department stores, which is how they and Debenhams got *together in the first place*. Derek Gardner Ltd. sales for the year *ending on January 31 will be* about £5m., just double the previous 12 months, with pre-tax profits rather better than double at £500,000.

The "customer flow" within Debenhams stores has been one of the keys to success, Derek Gardner himself says, though he reckons to have taught Debenhams "a few marketing lessons." With £500,000 or so ready in support, Gardner is confident he can get the promotion/pricing mix right all over again.

Unionising

The *recommendation* by the Council of Engineering Institutions this week that the country's professional engineers should seek trade union membership *en masse* is not only a significant break with long-held *attitudes at the top* of the profession but could also presage competition among expansion-minded unions.

A curiosity of the situation, though, is how the CEI came to such a conclusion. It is the result of a study by a five-man working party whose member*ship appears weighted towards* the managers rather than the managed. Only one active trade unionist was on it—John Kapp, an electrical and chemical engineer who works for a Brighton firm. Kapp is Surrey and Sussex representative on the executive council of the some*what unsuccessful* U.K. Association of Professional Engineers, one of the three non-TUC unions "blessed" as suitable by the CEI. The only TUC affiliate so mentioned is the Electrical Power Engineers' Association, headed by new National Enterprise Board member John Lyons.

So is Kapp happy? Not really. *Although he recognised* the CEI's recommendation as a "great step forward" *after* 150 years, he had hoped for more stress on the unity of the engineering profession on the lines of the organisation of the medical profession. Not surprisingly, he saw that as just the cause for which his union was founded.

Heal themselves

Hessische Brandversicherungskammer, a West German fire insurer, bemoans an increase in the number of fires caused by *lightning* and blames the careless installation of lightning *conductors*. *One of the victims*: a factory making conductors. *Its own was faulty.*

Observer

SOCIETY TO-DAY

BY JOE ROGALY

Where unemployment will hurt most

THE GOVERNMENT is in urgent need of a medium-term manpower policy. This is no time to prevaricate with talk about first principles, or supposed long-term industrial strategies. What is required is something that will take us through the next two or three years. The arithmetic is conclusive, even if the politics is not.

If all jobs that are not justifying themselves were to be obliterated we could no doubt have unemployment in the high 2m. or more in no time: it is very likely that we are all lame ducks now. *Of course no one is seriously contemplating a shake-out on such a scale.* Yet the fact remains that if the nationalised and publicly-supported industries and Government and local authority departments actually shed the labour regarded by their own managers as surplus they will be providing something between 300,000 and 400,000 fewer jobs in two years' time. To the extent that new jobs are not created by expansion elsewhere this will add to the total of unemployment, whichever definition of that term you choose to adopt.

Figures

If this seems preposterous, consider the figures. The British Steel Corporation is still determined to reduce its workforce by 44,000 between now and the end of next year. The telecommunications industry, hit by changing technology and the fall in orders from the Post Office, is apparently trying to reduce its labour by 20,000 by 1978/9. The motor industry will lose some 8,000 Chrysler workers under the current plan, plus another 30,000 or so from the industry as a whole over the next few years if the Central Policy Review Staff's recent report on the industry is implemented—and that is on the most optimistic assumptions in the report.

There are no publicly-announced figures for two industries about to be nationalised—shipbuilding and aerospace. But the most moderate assessment of the prospect in aerospace that I have been able to come across is that the present total workforce of 200,000 will have to shrink by at least 10 per cent. over the next 18 months; some people in the industry fear that it may have to be halved by the end of the decade. In shipbuilding existing order books do not justify the employment of the present labour force after next year.

British Rail would almost certainly like to cut its total payroll by 30,000, unions and the Government permitting. The Post Office cost-saving programme suggests that the number of jobs offered by the Corporation will fall by at least 20,000. The Civil Service is apparently to be cut by an unknown number; there is talk of 35,000. If the local authorities do no more than reduce their overall labour force by one recent average year's growth over the next two years they could shed something like 80,000 people.

The sub-total so far is 322,000, net of the de-manning that is taking place in dribs and drabs in the smaller and therefore less visible publicly-supported industries. *A notional figure of just above 300,000 is therefore conservative.* If you assume some of the "worst-case" possibilities, like greater redundancies in aerospace and motors, the total quickly passes the 400,000 mark.

Terry Kirk

Coventry: its workers are accustomed to lay-offs—but the magnitude of what may be ahead is greater than many of them are prepared for.

Before following the logic of these calculations *a single step further*, let me say at once that I am not disputing the case for cutting most of these unjustifiably inflated payrolls. In some instances, particularly local authorities and the Civil Service, the hope must be that the number anyone first thinks of is doubled and then redoubled.

This should be taken as read. What is not so often noticed, in the chorus of "cut, cut, cut" (to which I admit to being a peripatetic member) is that if the human side of the balance-sheet is forgotten the *Government will not only be morally* in the wrong; it will also fail in everything else it sets out to do. If we have not learned that much from the experience of the past decade we shall never learn anything.

There is no simple route out of this impasse. The economic *witch doctors will say that if* the public-purse (that is taxation) cost of subsidising all these unnecessary or non-productive jobs is eliminated individual purchasing power will be increased, demand will rise, and jobs will be created by entrepreneurs willing to meet that demand. Agreed. But what about the time-lag?

Unemployment is well cushioned nowadays (at least for those on the average wage or not much more before they lost their jobs) and it would be wrong to...discuss it in the emotive terms *suitable to a* generation ago. But the cushion is at its best for six months and at its least supportive after one year. Long-term unemployment increases inexorably with the gross total for persons out of work, and it can be demoralising.

The *market mechanism is not* so perfect that it will provide an upturn just in time to give everyone a new job after a brief and therefore "reasonable" spell out of work. It is particularly imperfect at a time like the present, when no one really knows whether the depression has "bottomed out" or, if it has, how long the trough is likely to be. The best time to de-person from the economic point of view might be during a recession; from the social point of view it is best to catch the upturn first.

This general proposition applies particularly to unemployment in industries or services like the railways, the Post Office and public administration. Employment is dispersed, and the availability of new jobs depends primarily on the state of the economy as a whole.

Those who work in industries concentrated in a *few* areas are in a far worse position, particularly if these are anyway areas of high unemployment. A medium-term manpower policy would start from this observation. It could then look at what probably lies ahead for each vulnerable industry. Such back-of-the-envelope calculations as I have been able to make suggest that in *certain areas* the debilitating effect of long-term unemployment will certainly be felt over the next couple of years, unless the Government thinks ahead.

The most likely redundancies (preceded by "natural wastage") in steel, for example, will come in Scotland, Wales and the North-East. But the North-East will also lose shipbuilding jobs on Tyneside (unless presently undreamed-of orders materialise), not to mention Teesside and Wearside. Such jobs will also go in Scotland (possibly *starting at Govan this summer*), as will some of the Chrysler jobs now being vacated by a surprisingly high rate of voluntary redundancy.

Not all the likely job losses come together in one place quite so neatly. Aircraft workers are to be found building Concorde in Filton (a high-unemployment region), and other aircraft in Hatfield, Chester (near the Shotton steelworks), Derby and parts of Scotland.

On the other hand, one or two places stick out as likely to take cuts from almost every side. Coventry, for instance, will lose jobs in motors, aircraft, and telecommunications for a start. This is traditionally a high-earning city, and its workers are accustomed to lay-offs—but perhaps the magnitude of what may hit them in the next couple of years is greater than many of them are prepared for.

A detailed breakdown of the prospects, town by town, should not take long to produce. The Government could be (is?) in a good position to anticipate where the pinch will be most hard to bear. It might then plan its future attitude to closures, "natural wastage" and redundancies with some coherent idea of the likely social consequences in mind, instead of on the piecemeal, Chrysler-panic, basis now being used.

It is important to set out what policy is inferred by such an approach. Most people outside the deliberately unrealistic Left would probably agree that a Barber-type reflation in a moment of loss of head would create more trouble than it would cure. We can rule that out. It would be just as wrong, and damaging, to give in to those trade union leaders who argue for the permanent and open-ended subsidisation of every job that currently exists, plus a few more for luck. That, too, would impoverish us all in the end.

This is where a manpower plan comes in. It is one of our many misfortunes that we are not blessed with really efficient machinery for the drawing up of such a plan, as a report published a couple of weeks ago by Metra Oxford Consulting Limited points out.* The Manpower Services Commission is a start, but much institutional tidying-up is still necessary.

If we had the machinery in use in Sweden and West Germany (described in the Metra report), it would be reasonable to hope for a quick and efficient response. Yet the matter is so pressing that we must make do with what we have; this means an emergency scheme. The only place in Whitehall with the necessary authority to institute such scheme in an effective way is the Prime Minister's office: if it already has the plans then what is required is a public indication that they exist and will be used.

Acquiescent

This is something quite difference from the palliative "programmes" put out by Mr. Denis Healey from time to time, in the hope that such obvious *public relations exercises* will enable the trade union side of the emerging corporate state to keep its members acquiescent for a little longer. A serious manpower budget would list the likely and necessary redundancies on a matrix that showed both the time-scale and the geographic location of expected increases in unemployment, especially in areas that are heavily dependent on one or two key industries. Every possible plan for the encouragement of fresh employment in those areas would be pencilled in, and proper planning for the retraining, voluntary removal, or social security support for the remainder would be attempted.

Unemployment is no longer as explosive as it was because *it is no longer* so painful for so many people. But it is likely to be increasingly unpleasant for large numbers of people, in identifiable areas. The cost of not preparing for this could be a resurgence of genuine social unrest (as opposed to the mock-battles of our leaders). That is why the need for a medium-term manpower policy is urgent.

**A case for Active Marketing: William Keyser and Tim Sharp, 31, Cornmarket Street, Oxford*

Letters to the Editor

An empty heart

From The Chairman, City of Westminster Chamber of Commerce

Sir,—The London Boroughs Association is asking the Secretary of State for the Environment to approve a scheme involving an increase of 100 per cent. in its demands on the inner London boroughs in 1976-77 so that it can make a gift to the average outer borough ratepayers of £20.

We must hope that the Secretary of State has a more realistic appreciation of the facts of London's economic life than has been shown by the boroughs themselves. It is far from realistic at this time to expect inner London ratepayers to contribute the equivalent of a 5p rate to support the outer boroughs. In the City of Westminster, 89 per cent. of the rates collected are from the commercial ratepayer and already the size of his rate bill is encouraging him to flee the city. In his wake he leaves unemployment, the depressingly *empty property (which we can* all see as we walk around the city) and the "dead" aspect which makes his replacement more and more difficult to attract. The number of ratepayers declines and rates inevitably increase as a greater burden is being borne by fewer people. It is the view of this Chamber that the burden is dangerously close to the tolerance level. Increases of the order of 15 per cent. or 20 per cent. now will drastically undermine the rating base for 1977 onwards.

But for the rate equalisation scheme, says Sir Lou Sherman, the outer London ratepayer "*would have faced an extra £20* on his rate bill." There are, however, small businesses in Westminster who will face a charge of no less than £772 to finance this scheme. When these businesses move out of the area, as they are already doing in increasing numbers, their employees—many of them from the outer London boroughs—will be jobless; their rates will not be paid, which means that their contribution to London Transport and to education will cease. Fares will rise, the standards of education will fall and the whole of London, not just Westminster and the City, will suffer.

Incidentally, I see that, despite the guidance of the Department of the Environment, the domestic ratepayers of Westminster and the City of London have lost out twice at the hands of the association. Is there really any reason why the ratepayers of Pimlico should suffer to benefit those of Hampstead or Chelsea?

Robert Stevens.
*Mitre House,
177, Regent Street, W.1.*

Shareholder democracy

From Mr. J. Gledhill.

Sir,—Your article "For Shareholder Democracy" (January 23) *could more properly* be headed "For More Power to the City." The abolition of shares of restricted voting rights will, in practice, do little or nothing to help the small shareholder.

Over the years the City has persuaded successive governments of its ability to police itself. Disclosure of the financial antics of an ex-City dignitary and the mis-use of votes by unit trust managers have cast doubts on this ability. Equally your statement that control of all companies by the City is necessary to prevent inefficient managements from perpetuating themselves is barely credible if Rolls-Royce, British Leyland, Burmah et al are borne in mind. The top City establishment must carry a large measure of responsibility for the secondary banking and property fiascos—I have not observed any "nights of the knives" in high places.

The only certain end-product *of the abolition of restricted* voting rights will be a further diminution in the number of family controlled companies. In considering the wisdom of such a move many factors such as the record for stability of employment, freedom from strikes, new product development etc. have to be looked at. It must not be decided by the massed slide-rules of the City.

J. R. Gledhill.
*213, Dobcroft Road,
Sheffield.*

Silence is golden

From Mr. S. Wancke.

Sir,—A few years ago Concorde made a much-publicised test flight over England and hundreds of people complained and there were tales of broken windows, etc. A few days later it made another trial trip over the same route, but this time it was not announced beforehand and not a single person *complained or* protested.

This shows how bad publicity can hoodwink people into imagining things. I am sure that if Concorde were to slip into New York without any fanfares or fuss nobody would notice anything unusual.

S. W. Wancke.
*Cherrington,
Pilgrims Close,
Westhumble,
Dorking, Surrey.*

Members as delegates

From Mr. T. Wise.

Sir,—That the demand for devolution stems from ineffective and insensitive Government *few will deny*, but I would maintain that it is not the Constitution which is a fault, rather the way the political parties operate within it.

Surely the way for Liberals to approach this problem is to decide that *their MPs shall be delegates* and therefore more representative than they are now. Indeed, if generally adopted, political parties would not be able, unless there was real public support, to move hugely from one ideology to another every five years with all the consequent traumatic upheaval that has marred our economic progress since the war.

Now that we are better educated and more socially aware, such a move would, I feel sure, gain an immediate public response. It might even be possible one day for Liberals to tackle our most pressing social problem — *that one party builds* houses nobody wants, while the other builds houses nobody can afford.

T. M. Wise.
*Yew Tree Cottage,
Crawley Down Road, Felbridge,
Sussex.*

Incentive to export

*From the Chairman,
The Westbourne Group.*

Sir,—On all sides we hear speeches on unemployment, investment, exports and the building industry. One simple piece of legislation would successfully tackle all these problems in a positive way, but I wonder how many of our leaders would be prepared to set aside party politics to put it into effect quickly?

In 1971 legislation was put into effect in the U.S. for a new programme known as DISC, which is short for Domestic International Sales Corporation. The programme is authorised by a tax *provision of the Inland* Revenue Act of 1971. Under this Act, a domestic firm engaged in foreign trade—or intending to be so engaged—is permitted to organise a DISC. Although profit-making, DISC may defer a portion of its income-tax under certain conditions. That was the incentive provided by the Government to encourage more companies to engage in export sales.

Shareholders in DISC are treated as receiving half of DISC's earned income, if any, and they are taxed on that amount only. The company concerned is allowed to defer the income-tax on the other half with the provision that the DISC must reinvest the money into export business. To qualify for this arrangement 95 per cent. of the gross receipts of DISC must come from exports.

It is claimed that the DISC programme increases U.S. exports and improves U.S. balance of payments. The concept makes it possible for the U.S. firm to compete more effectively in export markets with goods produced in its own plants without having to improve its competitive position by building plants in foreign countries to turn out the same type of products. This has the *additional advantage of* creating job opportunities in their own country.

The DISC concept is to export goods not jobs. In 1972 a Department of Labour survey reported nearly 3m. jobs were directly related to the production and distribution of export goods. The survey showed that each \$1bn.-worth of exports involved 72,000 jobs, and in 1972 U.S. exports expanded to \$48.4bn., *an increase of 13 per* cent. on 1971. In 1973 exports increased by 44 per cent. to \$69.7bn. and in 1974 to \$96.5bn., a further increase of 38 per cent.

Of course the scheme costs the *Government money in the loss* of the tax and therefore has the usual crop of agitators against it, but it gains exports, jobs and investment in domestic industry. At the same time, because of the terms of the Act, huge sums of money are available for commercial/industrial buildings, thereby helping the building industry. The machine tool industry is helped both on exports and home business. It is *estimated that in recent years* millions of extra jobs have been provided by exports.

Maurice Newbound,
*Crown House,
Morden, Surrey.*

Voice of small firms

From Mr. C. Simeons

Sir,—I note that an inner cabinet for the CBI is to be formed consisting of top industrialists. This indicates that there is little room for the views of small firms.

Apart from the mushroom organisations, providing a bandwagon for a particular issue which having collected the cash then has an internal row, there are two organisations only to which the individual or the small man can turn which have withstood the test of time. I belong to both.

The Institute of Directors has provided many commendable services used I suspect by the few, but paid for through the subscriptions of the many. At the same time its voice has become weaker as members with experience of what makes industry tick have removed themselves from Parliament. The subscription has risen fourfold in less years and at present I see little point in helping to finance this journey into the wilderness.

The Association of Independent *Businesses (former SBA) is the* other with its back-bench committee of MPs concerned with the problems of smaller firms. It featured prominently in debate at the Conservative Party *Conference.*

I commend its assault on taxation but this only follows the other problems. Price control, with its adverse effect upon cash flow and the ability to invest in modern plant. Complicated laws which divert so much time and energy from the job of production. Changes in VAT from the simple 10 per cent. to a more complicated calculation and multiple rates. The escalation of industrial rates paid in two lump sums and the inability to raise cash on the open market, while the banks remain shell-shocked, indicate the scope for action and which the association *is equipped to meet once* it moves on from the problems of taxation.

Charles Simeons.
21, Ludlow Avenue, Luton.

Fishing grounds

From Mr. E. Choppen.

Sir,—We are said now to be in the Third Cod War, but the trouble goes back a lot further. In 1412 English fishermen transferred their efforts from Norwegian waters—where they had to pay a tax—to the practically untouched fishing grounds of Iceland. King Eric of Norway complained to Henry V in 1415, the year of Agincourt, and, characteristically, the English government said it would try to *do something about it.* Immediately the English fish-merchants petitioned Parliament resenting this interference with their liberty to fish where they liked rather than in fished-out Norwegian waters. Henry's lieutenant, the Duke of Bedford, sided with the Norwegians and issued punitive edicts but I suspect that with the shortage of gun-boats at that time our fishermen were not deterred.

*Edward Choppen,
20, Amhurst Court,
Grange Road, Cambridge.*

Tax relief on travel

From Mr. A. Scott.

Sir,—British Railways is costing us a lot of money by way of subsidies, yet from the economic standpoint we are getting less relief from road travel expenditure because of the high fares.

Instead of providing such high subsidies, might it not be better to allow fares for journeys over a certain distance to be charged as an expense against income tax? Seasons could come under this allowance. Allowance for ad hoc ordinary journeys with a single or return ticket might prove subject to abuse but French and some other Continental railways sell cards which entitle the holder to a much cheaper fare when making ad hoc journeys. British Railways might introduce such cards and their cost could be allowed against tax. Bus seasons might also be included.

Many car owners seem to do well out of tax relief.

A. H. Scott.
*102, Beeches Road,
Chelmsford,
Essex.*

To-day's Events

GENERAL

Plowden Committee Report into structure of electricity supply industry in England and Wales.

Mrs. Shirley Williams, Prices Secretary, speaks on Government Policy at Financial Times Counter Inflation Policy Conference lunch, Royal Lancaster Hotel, W.2.

Irish Republic Budget details.

Discussions on economic policy and unemployment at monthly meetings of Labour Party national executive and TUC general council.

Dr. Gavin Strang, Parliamentary Secretary, Ministry of Agriculture, at Institute of Refrigeration dinner, Grosvenor House, W.

CBI East Midlands Regional Council meets at Clay Cross.

Joint meeting of CBI labour and social affairs, wages and *conditions, and industrial relations* committees.

Mrs. Margaret Thatcher, Conservative leader, visits Stock Exchange, London.

House of Commons Select Committee sub-committee meetings *of science, trade and industry,* and environment.

Treasures of Lord Camoys, auction, Stonor Park, Henley-on-Thames.

British engineering trade mission in Japan.

Mr. Yitzhak Rabin, Israeli Premier, continues visit to U.S.

Japanese industrial mission in Moscow.

PARLIAMENTARY BUSINESS

House of Commons: Remaining stages of Prevention of Terrorism (Temporary Provisions) Bill, and National Coal Board (Finance) Bill.

House of Lords: Second day of devolution debate.

COMPANY RESULTS

Allied Textile Companies (full year).

Dunford and Elliott (full year).

Henlys (full year).

COMPANY MEETINGS

General Stockholders Investment Trust, Winchester House, E.C., 10.45.

Management Agency and Music, Hendon Hall Hotel, N.W., 12.

Redman Heenan International, Connaught Rooms, W.C., 12.

Trafalgar House Investments, 14, St. Mary Axe, E.C., 11.30.

OPERA

Royal Opera production of Le Nozze di Figaro, Covent Garden, W.C., 7 p.m.

MUSIC

Royal *Festival Hall, London* Mozart Players and City of London Choir. Programme of Mozart, 8 p.m.

SPORT

Boxing: England v. Scotland, Gloucester.

COMPANY NEWS + COMMENT

Macarthys improvement to £1.2m. halfway

PROFIT BEFORE TAX, of wholesale and retail chemists, Macarthys Pharmaceuticals improved from £787,000 to £1,224,000 during the six months to October 31, 1975—the figure for the full year to April 30, 1975 was a record £1.71m.

The directors report that first half sales rose by 32 per cent. to £28.86m., enabling the company fully to absorb the higher operating costs arising from inflation. While a rise is anticipated in overhead expenses in the second half—particularly public services' charges—current sales volumes "should be sufficient to produce a successful outcome for the full year."

On capital increased by the rights issue, the interim dividend is being raised from 0.63p to 1p net, costing £105,234. Under current legislation the maximum permitted final is 2.52p. Last year's total was 3.2p.

	Six months 1975 £000	1974 £000
External sales	28,860	21,707
Profit before tax	1,224	787
Tax	637	383
Pref. div. & minorities	14	14
Available Ordinary	573	340

● comment

Macarthys' profits have risen by two-thirds against a sales rise of 32 per cent., so bringing an improvement to 4 per cent. in margins which had been almost static at around 3.5 per cent. in the last full year. The improvement came in spite of a 20 per cent. rise in labour costs and reflected a 12 per cent. rise in volume; there was an all-round increase in returns from the manufacturing, wholesaling and retailing interests. A reported increase in prescription demand gave an extra boost and this should also help the current half as the winter months can still be expected to increase consumption of medicines—particularly of the standard kind that Macarthys sells. An increase in overhead costs would prevent another big surge forward in profits but, even so, the present rate of growth would give earnings per share of 13p against a share price of 86p. The prospective dividend yield is 6.35 per cent.

INDEX TO COMPANY HIGHLIGHTS

Profit rise at Concrete halftime

PRE-TAX profit of Concrete almost doubled from £375,000 to £698,000 in the six months ended September 30, 1975—for the year to March 31, 1975, the figure was £1,055,000.

The directors report that mechanisation and consolidation of manufacturing facilities have continued to improve efficiency and this enables the company to anticipate a "satisfactory profit" for the year despite the continuing recession in the building industry. The financial position is very strong and liquidity continues to improve, they add.

The interim dividend is being raised from 1.005p to 1.3p net and reduces the disparity with the final. The directors intend to recommend the maximum permitted gross total of 4.84p. Last year's net total was 2.89p.

In his annual statement last year the chairman, Sir Kenneth Wood, said the rate of receipt of orders indicated a drop in the level of activity in the latter part of the year.

The company makes structural precast concrete and steel.

	6 months 1975 (unaudited) £000	1974 £000	Year 1974-75 £000
Turnover*	15,991	11,537	29,449
Profit before tax	698	375	1,055
Tax	363	195	554
Net profit	335	180	501
Pref. div.	4	4	8

* Includes £12.19m. (£11.17 and £23.01m. full year 1974-75) structural work completed by the group, the remainder done by sub-contractors.

● comment

Concrete's first-half profits—up 86 per cent. pre-tax—are well ahead of expectations and sent the shares 6p higher yesterday to 61p. The main feature of this performance is a continued recovery in sub-contracting work and there is apparently more to come from here. This must have something to do with the group's recent efforts to change the emphasis of its trading mix—it has been trying to reduce dependence on local authority housing projects—which have apparently made it less vulnerable to cutbacks in Government spending. For the full year the group appears to be headed towards pre-tax profits of at least £1.4m. which would cover the forecast dividend, yielding 8.1 per cent., 2½ times. At that level the shares are well supported by a strong and improving cash position—£491,000 net in the last balance sheet.

ML sees at least £0.5m.

REPORTING first-half pre-tax profits up slightly from £243,431 to £259,046, the directors of manufacturing engineers, ML Holdings say that profits for the full year to March 31, 1976, will not be less than the record £506,332 achieved in 1974-75.

First-half turnover expanded from £3.12m. to £5.91m. The directors point out however that profits are not related to turnover but to contracts completed in the period.

The net interim dividend is held at 1.015p per 25p share costing £20,300 (same). Last year's final payment was 2.13815p.

	Six months 1975 £	1974 £	Year 1974-75 £
Group turnover	5.91m.	3.12m.	7.82m.
Trading profit	314,364	284,787	616,712
Depreciation & int.	55,318	41,356	110,380
Profit before tax	259,046	243,431	506,332
Tax	135,000	125,000	155,208
Net profit	124,046	118,431	351,124

● comment

Since ML's turnover relates to work finished while profits are attributable to contract completions, it would be wrong to read too much into a trading profit rise of a tenth on a sales increase of 89 per cent. Nevertheless ML is obviously still active and while it would be optimistic to talk of a massive profits jump at some later date it is probable that the group can view the coming months with confidence. The design side has been very busy, which usually indicates a batch of contract completions within a couple of years, but the group must always take a wary line on defence expenditure, for Government contracts account for around half of sales. Still the shares at 56p, where the p/e and yield are 4.9 (on a full tax charge) and 8.8 per cent. respectively more than make allowances for the possibility of a medium term setback, especially as ML has historically been quick to recover.

£0.75m. loss at Armour Trust

ON TURNOVER down from £9.1m. to £6.98m., Armour Trust incurred an increased pre-tax loss of £749,000, against £403,000, in the year to April 30, 1975. The loss per 10p share is shown at 5.9p compared with 2.2p and there is no dividend against 0.2p net.

Extraordinary charges total £745,000 (£67,000) and include £221,000 written-off goodwill, and £432,000 for losses and provisions relating to property investment.

The group's principal problem has arisen from property developments in Brussels and in residential sites in the U.K., say the directors. The provisions have been arrived at after consultation with professional advisers and they consider the written-down values to be as realistic as possible in the uncertain climate.

Until sales materialise the group still has to provide for the heavy interest charges that continue to accrue, they add.

As and when sales are achieved, there will be an improvement in liquidity and in the profit and loss account. "In the meantime, the group relies very much on the goodwill of its bankers, who are informed regarding the group's overall affairs."

	1974-75 £000	1973-74 £000
Turnover	6,980	9,099
Associates' loss	167	99
Pre-tax loss	749	403
Tax credit	28	181
Minorities	53	51
Extraord. debits	745	67
Deficit to reserves	1,438	341

The group is in the course of certain negotiations which would materially assist its present situation. These include the prospect of additional long-term capital coupled with the introduction of potentially profitable new projects. Shareholders will be advised when the outcome of these negotiations is known.

● comment

An increase in Armour Trust's stake in Armour South Western to 77 per cent. in April 1973, at a cost of £205,000, and a subsequent tripling of ASW's property development programme, are one of the principal causes of the company's present difficulties. The pre-tax loss of £749,000 is arrived at after interest charges of £884,000, and attributable losses of £1.4m., following further property write-downs, have halved net worth to £1.6m., which supports borrowings of £5m. or so. The future hinges on the disposal of the group's £5m. property portfolio, 60 per cent. of which is located in Brussels: but in the light of such a dismal trading performance (although the position has apparently improved recently) it is hard to know what to make of the group's suggestion that an injection of long-term capital from external sources could be in the offing. The share price, meanwhile, fell by 2p to 4½p last night; par value is 10p.

Glyn Genin

Mr. Alex Jarratt, chairman of Reed International, who yesterday announced third-quarter profits of £9m. before tax, against £22.4m. in the same three months in 1974. Nine months' profits are £26.8m., compared with £67m.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Armour Trust		nil	—	0.2	nil	0.2
Concrete	int.	1.3	April 7	1.01	(A)	2.89
Davy Internl.	int.	2.1	April 1	1.9	—	5.68
Hambro Trust	int.	0.46	Feb. 27	0.26	—	1.36
Leyland Paint		nil	—	2.19	nil	3.11
Lonsdale		2.62	April 1	2.48	3.77	3.53
Macarthys	int.	1.0†	April 7	0.63	—	3.2†
ML Holdings	int.	1.02	April 7	1.02	—	3.15
Sidlaw		3.9	—	3.9	4.9	4.8
Syltone	int.	1.05	Mar. 26	1.05	—	4.2
Western Selection		0.93†	April 5	1.73	1.8	1.75

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Total 4.84p gross forecast.

Growth policy at Berisford

Several potential acquisitions are under active consideration at S. and W. Berisford, states Mr. N. H. Castle, chairman.

He tells holders that he looks forward to another successful year. Funds from the recent one-for-one rights issue, which raised £3.35m., and the enlarged capital base, will enable the directors to pursue an expansionist policy and seek out further acquisitions in existing and related areas, he says.

Referring to the sugar division, the chairman states that the outlook for 1975/6 indicates "more orderly marketing and the return should again be satisfactory." In the period under review—a "most eventful year"—customers were kept supplied by supplementing the shortage of British refined sugar with ever-increasing supplies from the ECC.

The directors are confident that the commodities side will maximise on any opportunities in the current year.

Improved methods of production are now being introduced in the pet food business of Harrison, Barber and Company and this is expected to produce a high quality product with increased profits this year.

The British Pepper and Spice Company is once again expanding its manufacturing potential and there are plans to strengthen the European sales operation by opening an office in Amsterdam.

Mr. Castle is confident that the meat division has considerable profit potential.

As reported on December 19, the company increased its pre-tax profit from £7.59m. to £9.33m. in the year to September 30, 1975, reflecting an elimination of losses, particularly in the U.K. and from lower interest charges. The U.K. accounted for 43.5 per cent., Europe 13.2 per cent., North America 10.9 per cent. and entrepot trading 32.4 per cent.

Sales increased by 12.4 per cent. to £598.74m., showing an unchanged position in Europe and a decline in North America reflecting a lower level of prices in the main products handled.

Dividends are up from 5.54p to 5.912p net. In the current year the directors intend to maintain the dividend payment.

At year-end the group's capital and reserves increased by £4.59m. to £22.98m., largely as a result of a further substantial profit retention. Net assets per share amounted to £1.70—an increase of 29p.

A statement of source and application of funds shows a net decrease in bank and other short-term borrowings of £3.81m. (£9.25m.).

Meeting, Great Eastern Hotel, E.C., February 19, noon.

Cedar cuts its loss to £1.63m.

By Margaret Reid

CEDAR HOLDINGS, the financial concern which was heavily backed by large institutional investors at the onset of the secondary banking crisis in late-1973, and has since been reconstructed, incurred a loss of £1.63m. before tax in the year to June 30, 1975, against a previous £5.18m. loss.

The loss increased to £1.77m. after tax relief and extra-ordinary items, the latter including £575,000 by way of adjustments in relation to defects in title and associated matters after the block sale of properties to the institution.

In the reconstruction plan published in April, 1975, "probable" losses had been foreshadowed for the year 1974-75.

However, there has been a better trend in the first half of the current year in which the company has traded profitably, the chairman, Mr. Simon Coorsh, says in his annual statement. He is confident that, subject to the usual provisos, a reasonable level of profitability will be achieved in the present year.

The balance-sheet of the reconstructed group at June 30, 1975, shows total assets of £56.25m., with shareholders' funds of £7.52m. and borrowings of £43.30m.

Substantial repayments continue to be made to the institutions, resulting in a reduction in the total principal amount of the support funds from the peak of £56.5m. in December, 1973, to less than £22m. now.

Mr. Coorsh says the Board has in mind the need to obtain a re-listing of the shares, suspended since December, 1973, but that it is too early to predict when this is likely to be.

See Lex

National Mutual

The National Mutual Life Association of Australasia has declared an increased annual bonus rate for 1975 for with-profits policies effected in the U.K. of £31.0 per mille of sum assured and attaching bonuses against £29.25 per mille in 1974.

Until further notice, the terminal bonus of £7.50 per mille of sum assured, and attaching bonuses, for each completed year excluding the first four years that the policy has been in force will continue unchanged.

ISSUE NEWS

J. & H. B. Jackson rights

J. and H. B. Jackson, a merchanting and engineering group, proposes to raise £329,000 by a rights issue of 2,193,424 Ordinary 5p shares on the basis of one-for-ten at 15p each.

The new shares will not carry the right to the interim dividend already declared of 0.325p per share for the year to September 30, 1976, but they will be entitled to the expected final of 0.4875p per share. The total net dividend of 0.8125p (0.46167p) per share is equivalent to 1.25p gross and the shares closed ½p lower yesterday at 22½p indicating an ex-rights yield of about 5⅝ per cent.

At September 30, 1975, Jackson had capital commitments amounting to £334,000 and now has a capital investment programme for the next 12 months exceeding £600,000. While in the past the company has tended to finance its capital commitments out of retained earnings, the directors "recognise the need in present circumstances to supplement current resources by raising new funds in the equity market."

The issue has been underwritten by Baring Brothers and Company, and brokers are Cazenove and Company.

An EGM is called for February 12 to consider the resolution to increase the authorised capital, dealings are expected to start the next day.

Banking link with China

Manufacturers Hanover Trust has announced the establishment of a limited correspondent banking relationship with the Bank of China in Peking.

Under the agreement, Manufacturers Hanover will handle non-commercial remittances to and from the People's Republic of China, dealing directly with Bank of China in Peking, and its branches in Shanghai, Tientsin, Kwangchow, Tsingtao, Tallen, Foochow, and Amoy. Bank of China is the official foreign exchange bank of the People's Republic of China.

SHORT-TERM LOCAL LOANS

The coupon rate on this week's batch of local authority one-year bonds has eased back down to 10⅞ per cent. after last week's upward movement to 10⅞ per cent. The bonds are due on February 2, 1977 at par.

This week's issues are: Borough of Blackburn (£1m.), Sedgemoor District Council (£½m.), Arun District Council (£½m.), Kyle and Carrick District Council (£½m.), Perth and Kinross District Council (£½m.), Borough of South Tyneside (£¾m.), Gwynedd County Council (£¾m.), Chester-le-Street District Council (£¼m.), Hartlepool Borough Council (£½m.), Northampton Borough Council (£½m.), Plymouth City Council (£1m.), London Borough of Waltham Forest (£1m.), Tayside Regional Council (£1m.), North Warwickshire Borough Council (£½m.), Taff-Ely Borough Council (£½m.), Tunbridge Wells Borough Council (£½m.), Reigate and Banstead District Council (£½m.), Mansfield District Council (£450,000), London Borough of Redbridge (£½m.), Bassetlaw District Council (£½m.), Doncaster Metropolitan Borough Council (£350,000), Mid Sussex District Council (£½m.), Metropolitan Borough of Wigan (£½m.), Borough of Gateshead (£½m.), West Lancashire District Council (£½m.).

Arfon Borough Council is raising £½m. by the issue of 11½ per cent. two-year bonds at par, due January 25, 1978.

No dividend from Leyland Paint

IN VIEW of the low level of profits earned in the year to September 27, 1975—£0.42m., compared with £0.96m.—and the need to conserve cash resources, the directors of Leyland Paint and Wallpaper are not recommending a final dividend.

Thus there are no payments for the year, against 3.10625p last time. Stated earnings per 25p share are down from 7.2p to 2.8p.

They say they are conscious of their responsibility for providing income to shareholders, and the importance of retaining the company's trustee status, and every endeavour is being made to maximise operations so that the company can restore trading profit to a level adequate to resume payment of dividends as soon as possible.

In the opening months of the present financial year volume sales were running at a higher level than in the same period of the previous year, but in view of the uncertain economic situation they find it difficult to forecast levels of activity for the year as a whole.

At halfway, reporting a loss of £68,000, compared with a profit of £254,000, the directors forecast a more acceptable return in profitability in the second half of 1974-1975.

	1974-75 £000	1973-74 £000
Turnover	*16,712	14,574
Interest	467	486
Assoc. profits	38	76
Pre-tax profit	424	960
Tax	284	344
Extraordinary debits	35	—
Attributable	135	616

* Includes £14.69m. (£11.9m.) at home and £2.02m. (£2.67m.) exports.

The company will strengthen its capital base by the issue—subject to shareholders' consent—of £250,000 of 10 per cent. Convertible redeemable cumulative preference shares 1981 to County Bank, which will also make a term loan of £1.25m. Of this £1.1m. will be applied to the repayment of a term loan from National Westminster Bank which would otherwise be repayable next October. County Bank is a subsidiary of NatWest.

The new loan will be repayable at £150,000 per annum on September 30, in each of the years 1978/1983 after which the balance of £350,000 will be payable on demand. The interest rate is 3 per cent. above the three months London interbank rate.

The new preference shares will be convertible up to September 30, 1988 into Ordinary shares at par or failing conversion will be redeemable at par on September 30, 1981.

If conversion rights were exercised in full County would hold about 15 per cent. of the enlarged capital or 13 per cent. assuming existing loan stock is fully converted. County will have the right to nominate a director and if proposals are approved, Mr. P. W. A. Simmonds, a director of County, will join the Board.

Currently the company has borrowings totalling some £3.8m. Profits and cash flow have not proved adequate, taking into account increased working capital requirement caused by inflation, to provide for the repayment of the term loan from NatWest, say the directors.

Moreover, in present conditions, the company cannot prudently assume early conversion of the outstanding loan stock.

In consequence the company has currently and for the immediately foreseeable future "a rather high ratio of debt to equity." The directors have thought it right to make arrangements to cover the re-financing of the term loan and these will also provide for some strengthening of the capital base and for a reduction of dependence on overdraft standing at £1.5m.

They are satisfied that if the arrangements with County Bank are implemented, the company and its subsidiaries will have sufficient working capital for their requirements in the current year.

● comment

The decorative paint industry has been having a tough time lately, particularly on the retail side, and Leyland Paint which is in direct competition with such majors as ICI, Berger Jenson, Reed International and Donald Macpherson, has been especially vulnerable. Full-year pre-tax profits are 10 per cent. higher than was forecast at half time but the immediate trading outlook must be bleak. The current year could see further benefits from a recent streamlining operation, as well as cost savings relating to the introduction of a new vinyl coating machine—problems connected with which were apparently responsible for the first half losses. However, the chances of a dramatic recovery look remote and even though the short-term borrowing position will be eased by the new County Bank Loan, the group will still be highly geared overall, with total debt equal to around 1.8 times shareholders' funds (ex. goodwill). At 35p the shares are capitalised at just over £2m.

RESULTS AND ACCOUNTS IN BRIEF

ARCHIMEDES INVESTMENT TRUST—Results for year to October 31, 1975 already known. Investments £0.98m. (£0.78m.). Current assets £162,400 (£67,555), current liabilities £78,164 (£35,807). Directors cautiously optimistic about investment climate in short-term. Meeting, 64, Colman Street, E.C., February 10, 12.30 p.m.

BROXLEA HOLDINGS (contractors to telecommunications and electronic industries)—Interim dividend 0.175p per share net (0.7p and total 1.4p). Net loss half year ended August 31, 1975, £15,000 (profit £12,069). Taxation nil (£4,780). Economies have been made and second half of current year shows some improvement. Directors anticipate that loss for whole year will not exceed loss for first half. There are no capital commitments reduced dividend being paid out of past profits.

DUALVEST—Net asset value per £1 capital share 245½p at December 31, 1975 (214½p at September 30, 1975).

FUNDINVEST—Net asset value per Capital share 74.5p at December 31, 1975 (66.25p at September 30, 1975).

GLOBE AND PHOENIX GOLD MINING—Total net revenue half-year to June 30, 1975, £71,000 (£85,000) including investment and other income £14,000 (£15,000) but after additional depreciation £7,000 (nil). Profit £44,000 (£89,000) before tax £26,000 (£66,000). Retained associates £6,000 (loss £53,000).

KILLINGHALL (RUBBER) DEVELOPMENT SYNDICATE—Results for year to June 30, 1975, already known. Group fixed assets £219,312 (£197,957). Net current assets £53,385 (£53,172). Barcros Investment holds 11.05 per cent. and Straits Trading Company 10.76 per cent. of the equity. Meeting, 1-4, Great Tower Street, E.C., on February 18, at 12.30 p.m.

LONDON ATLANTIC INVESTMENT TRUST—Gross revenue half-year to December 31, 1975, £226,342 (£197,766). Net revenue after tax £128,316 (£111,631)—earnings per 25p share 1.12p (0.98p). Interim dividend 0.75p (same). Valuation investments £6,762,721 including the full investment currency premium of £707,797. Net asset value 56p per share (48.9p at June 30, 1975).

MACKINNON OF SCOTLAND (knitwear manufacturers)—Dividend, year to October 31, 1975, is 0.75p (0.25p). Company is close. Turnover £3,954,000 (£3,267,000). Profit £31,295 (loss £34,105) after all charges including tax of £34,289 (credit £26,497). Earnings per 25p share 0.99p (loss 1.75p).

SPEEDWELL GEAR CASE COMPANY (sheet metal engineers)—Results for year to July 31, 1975 reported January 10. Fixed assets £0.36m. (£0.32m.), net current assets £0.19m. (£0.31m.). Current position shows that company will hold its own very well but without big national upsurge in trade there cannot be swing to acceptable profitable state. Meeting, Birmingham, February 13, noon.

Appreciable increase seen by Davy

FOR THE year ended March 31, 1976 Davy International is forecasting profits "appreciably higher," than the £5.96m. achieved in the previous year, mainly due to much improved results from *the U.S. companies.*

In the first six months there has been an upsurge from £1.46m. to £3.33m. Chairman Mr. J. W. Buckley says the flow of orders in recent months has been satisfactory and therefore the forward work load on most group companies is high.

Liquidity continues to be strong and Davy is in a sound position to respond to further opportunities for expansion.

Last July with a rights issue, the directors promised at least maintenance of the 5.887p net dividend for 1975-76; they are now raising the interim from 1.9p to *2.1p against* a cost of £608,000 (£412,000).

	Half year 1975 £000	1974 £000	Year 1974-75 £000
Turnover	38,848	35,754	181,040
Incr. work in prog.	100,984	76,891	87,567
Value of work done	139,827	112,645	268,607
Profit before tax	3,333	1,463	5,956
Taxation	1,733	834	3,257
Net profit	1,600	629	2,699

The *group is* engaged as contractors and engineers for the chemical oil (both onshore and offshore), petrochemical, plastics, etc. industries.

See Lex

New members of LOA

By Christopher Hill

At a general meeting of the Life Offices' Association on Monday, Beehive Life Assurance, the life company of Lloyds Bank, and TSB Unit Trust Managers, the life company of the Trustee Savings Banks, were both admitted to membership.

At the same meeting it was decided to drop the category of "associate" membership of the LOA which had meant that time and size qualifications were applied to new companies — a company had to be operating for a certain number of years and have funds of at least £5m.

Chloride shares placed

A substantial line of shares in Chloride, the U.K. battery manufacturers, was placed on the market yesterday at an average price believed to be in the region of 100p per share. The shares closed last night at 103p, down 5p on the day.

Approximately 1.8m. shares are thought to have been placed on behalf of two private trusts by Stockbrokers Sheppards and Chase.

G. Francis returns to profit

Taxable profit of heating and plumbing merchants G. R. Francis Group declined from £103,192 to £66,087 in the half year to September 30, 1975. Chairman Mr. G. R. Francis describes the results as a "satisfactory improvement" on last year's second half, in which a loss of £33,180 was incurred.

Turnover to date already exceeds that for the full year 1974-75 and in the third quarter is more than 40 per cent. higher than last year, the chairman adds.

For the full year to March 31, 1975, turnover was £3.18m., pre-tax profit £70,612 and the dividend 1.584p net per 10p share.

Mr. Francis says the company is currently embarking on a policy of planned expansion. While its sector of the economy remains uncertain, the group "is determined to continue developing."

	Half-year 1975 £	1974 £	Year 1974-75 £
Turnover	1,882,719	1,589,990	3,179,412
Profit before tax	66,087	103,192	70,612
Tax	34,365	53,650	39,000
Net profit	31,722	49,542	31,012

Technology Investment

Gross income of Technology Investment Trust was little changed at £332,628 for the six months to November 30, 1975, compared with £339,586. After expenses and Debenture interest, net revenue before tax was £279,361 against £291,456. The figures for the year to May 31, 1975, were £651,554 and £549,986 respectively.

The net asset value per 25p share at November 30 was 105.86p (108p at May 31, 1975).

As a result of the conversion on October 10, 1975, of 5,034,030 "B" shares into Ordinary shares, there remain in issue 850,966 "B" shares of 25p each. The effect of this conversion will be to reduce both earnings and the amount of dividend payable per Ordinary share. In the absence of other factors the theoretical reduction in earnings would be about 27 per cent. The dividend for 1974-75 was 2p net on earnings of 2.36p.

Lonsdale lower by £0.25m.

TAXABLE profit of Lonsdale Universal dropped from £1.27m. to £1.02m. in the year to September 30, 1975. At halfway, when profit was up from £0.58m. to £0.64m., a "similar" outcome was forecast.

First-half turnover rose by more than 20 per cent. and indications then were that this rate could be maintained. For the full year the figure was up from £15.58m. to £17.86m.

Basic earnings per 25p share are shown to be down from 11.33p to 8.77p and fully diluted, from *10.9p to 8.47p. A final dividend* of 2.6205p net makes a total of 3.7705p, against 3.5332p, the maximum allowed.

The company has interests in office equipment and stationery, publishing and bookselling, engineering and technical services, packaging, etc.

	1974-75 £000	1973-74 £000
Turnover	17,856	15,582
Depreciation	157	140
Interest	293	279
Pre-tax profit	1,020	1,272
Tax	479	580
Net profit	541	692

● comment

In the past, Lonsdale Universal has been able to rely on compensating swings in its constituent companies for profits growth. But an unexpected margin collapse in retailing and packaging, particularly in the last quarter, combined with an all but static performance elsewhere, has almost halved second-half pre-tax profits for a drop of a fifth on the year. Retailing has been squeezed by rising wage costs, a poor sales background for clothing and the costs of opening two new stores, while the packaging division's exposure to the textile industry—mainly in the form of shirt boxes—has, understandably, borne heavily on the results. First-half profits are likely to be lower but a cyclical upturn is mooted for the second half. The shares, meanwhile, are on a fully diluted p/e of 7 at 62p, down 3p last night, and yield a useful 9.8 per cent. covered 2.3 times.

Reed profit £40m. down after nine months

THIRD QUARTER (to December 31) profits of Reed International have slumped from £22.4m. to £9m., bringing the nine months total down by £40.2m. to £26.8m.

Third quarter trading profit overseas was halved to £7.8m. This relates to the period ended September 30 and throughout the quarter profits were seriously depressed by a strike in the mills of the joint venture companies in British Columbia.

Although there was a return to work in that province early in October, the fourth quarter overseas profit will be materially affected by a strike in Reed's Quebec mill which lasted from October 12 to January 22.

Other salient figures for the third quarter were: sales £277.6m. (£256.7m.) of which overseas £107.4m. (£96.5m.); attributable profit £3.8m. (£9.9m.) giving earnings of 4.2p (11p) per £1 share.

The following table gives the nine month's figures. Earnings were 13.3p (34.8p).

	9 months 1975 £m.	1974 £m.
	(unaudited)	
Sales	772.6	710.2
U.K. and exports	479.0	432.2
Overseas	293.6	258.0
Operating profit	44.5	79.9
U.K.	20.6	37.0
Overseas	23.9	42.9
Interest payable	17.7	12.9
Profit before tax	26.8	67.0
Tax	13.3	32.1
U.K.	5.4	15.1
Overseas	7.9	17.0
Net profit	13.5	34.9
Minority	1.3	3.4
Attributable	12.2	31.5

See Lex

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's time-table.

TO-DAY

Interims: James Austin Steel, Peter Black, Fashion and General Investment Trust, Lonrho.

Finals: Allied Textile, Blundell-Permoglaze, Bullough, Dunford and Elliott, Glass Glover, Greenfriar Investment, Henlys, Howard Machinery, Simonside Investment, Standard Trust.

FUTURE DATES

Interims:

Fisher (Albert)	Feb. 12
Francis Parker	Jan. 30
Hillards	Feb. 4
Hunt and Moscrop (Middleton)	Mar. 10
London Transport	Feb. 5
Perak River Hydro-Electric Power	Jan. 29
Wiggins Construct	Feb. 26

Finals:

Dew (G.)	Feb. 6
Goode Durrant and Murray	Feb. 5
Lebus (Harris)	Feb. 6
Rawlings Bros.	Feb. 5
Sterling Trust	Feb. 4
Whatlings	Feb. 5

Action to stem Century losses

IN THEIR report on the accounts of Century Securities the auditors state that they have been unable to satisfy themselves as to the reason for the significant decrease in gross profit margins of Volmax which incurred pre-tax losses of £209,617 for the 16 months ended July 31, 1975. And for this reason they are unable to express an opinion on the loss for the group for the period.

In his annual statement chairman Mr. J. M. Moody reports that the retail division (Volmax) incurred heavy losses which have not yet been eliminated. Action *has been taken to rectify* management shortcomings and to tighten up controls in order to reduce and eliminate trading losses. At the same time a scheme for the contraction or closure of unprofitable units has been implemented.

As reported, for the 16 months there was a group loss, before tax, of £79,181, compared with a profit of £223,834. The dividend is 0.7875p compared with 1.84918p.

The chairman says that bank borrowings, further increased to acquire new subsidiaries, would have been greatly reduced by the net inflow of profits but the current loss situation has adversely agravated the situation. A plan of rationalisation has been implemented which will greatly improve the situation.

Unaudited accounts for the period to the end of November 1975 indicate that the group as a whole is now trading profitably, says Mr. Moody.

In their report the auditors also state that the accounts assume the continuing support of institutions as in previous years.

Commenting on the other divisions the chairman reports that the electrical trading side has also traded at a loss during the year and stringent efforts are being made to develop this unit into a profitable entity.

The joinery division suffered a big reduction in profit as a result of the downturn in industry.

The chairman says that there appears to be some improvement in trading conditions in this market and the directors are hopeful of an improved result in the current period.

At July 31 there was an increase in net current liabilities from £79,758 to £296,415. Bank overdrafts were almost doubled at £606,858 compared with £307,224. The premium on acquisition of shares of subsidiaries was shown to be up from £90,000 to £775,889 reflecting the acquisition of Hamilton Wholesale Supplies and Hamilton Electrical Distributors.

Meeting, Manchester, February 19 at noon.

Western Selection upturn

Profits of Western Selection and Development Company jumped from £264,052 to £428,807 in the year to September 30, 1975, before tax of £211,636 compared with £29,920.

At halfway, when profits were up from £162,000 to £216,000, the directors were expecting to maintain the dividend total on capital increased by the one-for-three rights issue. They now propose to pay a final of 0.925p per 20p share, thus raising the total from 1.75p to 1.8p costing £117,561 (£92,750).

ICI–BTR venture

BTR Reinforced Plastics and the ICI Petrochemicals Division have agreed to co-operate in the development and marketing of *glass reinforced plastic products* (GRP), unsaturated polyester resins (UPR), sheet and dough moulding compounds (SMC and DMC), and moulded and pultruded parts.

ICI will be responsible for the technical development of UPR for use by BTR in its moulding technology development.

The two companies will work jointly on the development and specification of SMC and DMC formulations.

Lower first half at Syltone

Turnover of Syltone, makers of pumps, compressors and distributors of electrical products, increased from £2.29m. to £2.43m. during the half year to September 30, 1975, but pre-tax profit declined from £184,000 to £142,000.

Tax, which was down from £104,000 to £88,000, is higher than the statutory 52 per cent. because of losses incurred by the U.S. subsidiary which cannot be offset for U.K. tax purposes, say the directors.

The interim dividend is being held at 1.05p net, costing £11,546. Waivers amount to £11,295 (nil). Dividends for the full year 1974-1975 totalled 4.2p and profits £0.41m.

Johnson Construction improves

On turnover of £1.47m. compared with £1.1m., pre-tax profits of Johnson Construction Equipment Group jumped from £31,793 to £60,151 in the six months to September 30, 1975.

The directors state, however, that the last two months of 1975 saw a build up of stock in certain Middle East countries causing an interruption of shipments which will affect second half results.

Manufacturing was kept at full *stretch on export orders,* members are told but continuing pressure on margins in the plant hire subsidiaries resulted in an overall loss in that sector.

The interim dividend is 0.43p (same) net per 25p share—equal to 0.6923p (0.6716p) gross, costing £7,360 (same). Last year's net total was 1.585p paid from pre-tax profits of £176,039.

First half tax takes £33,098 (£14,410) while minority losses add £1,075 (debit £1,385).

ROLLS-ROYCE DISTRIBUTION

The fourth distribution of 5p per £1 Ordinary unit of Rolls-Royce Ltd.—already announced—will be made on or after February 28.

Sidlaw drops to £0.56m.

AFTER SLIPPING from £434,000 to £310,000 in the first-half, pre-tax profits of Sidlaw Industries finished the year to September 26, 1975, down from £800,000 to £555,000.

After a lower tax charges of £218,000 compared with £456,000, earnings are shown to be down from 6.53p to 6.17p per 50p share. The dividend total is held at 4.89937p net with a final payment of 3.89937p.

	1974-75 £000	1973-74 £000
Turnover	41,497	36,068
Company and subs.	34,631	30,151
Share associates	6,846	7,909
Trading profit	1,463	1,604
Company and subs.	1,345	1,102
Share associates	118	502
Interest charges	908	804
Profit before tax	555	800
Tax	218	458
Extraordinary debits	17	*151
Leaving	320	327
Ordinary dividends	268	268
Retained	52	261

* Credits.

The accounts have been prepared in compliance with the requirements of the new statements of standard accounting practice and figures for 1973-74 have been re-stated to make comparisons relevant.

Trading conditions for the engineering and most textile activities deteriorated in the final quarter, and this was not entirely offset by a marked improvement in Aberdeen Service Company (North Sea) and a modest improvement in P. and R. Fleming and Co.

The directors say that the results are disappointing, but not totally discouraging in a period which was unfavourable for textiles. Polytaple and Synthetic Fabrics (Scotland) were particularly badly affected and Colox Corporation Inc. also had a poor year. On the other hand, Grampian Land made a satisfactory contribution.

The tax charge is reduced by the release of provisions made in previous years. Extraordinary items in 1974 mainly represented profits realised on the sale of properties no longer required for trading purposes while in 1975 terminal costs were incurred on closures.

Profits of Aberdeen Service Company (North Sea) for the current year as a whole are expected to show further improvement. Due to the seasonal nature of its business, profits in the second half are likely to exceed greatly those in the first. For the group's remaining activities, the results in the first quarter of *the year are more encouraging* than had been anticipated, but there is not yet sufficient confidence in the British economy to say that this pattern will continue.

Changing pattern at J. F. Nash

In his annual statement Mr. J. F. Nash, chairman of J. F. Nash Securities points to the changing pattern of group investments.

He says that his fears regarding the future of small companies have been confirmed and he feels that there is no point in pursuing *the company's original plans of holding stakes in small private* companies with growth prospects. Such a "financial nursery" cannot any longer be in the group's interests as it is no longer possible to take a four- to five-year view of such investments.

The chairman believes that if and when circumstances change, it will only be possible to think of future quotations for companies with pre-tax earnings in the region of £1m. In such circumstances there are going to be enormous problems for the small provincial *companies which would, in normal* circumstances, have looked to a Stock Exchange quotation as a means of raising additional capital and/or dealing with estate duty problems.

The chairman feels that the day of the contested bid is over and that the only investment of value is to have stakes in associated companies with which it is possible to work and build up for the future.

Mr. Nash expects that the pattern of change will continue and he feels that it is possible that ultimately the group will consist solely of a number of wholly-owned trading subsidiaries being companies that have proved them*selves over the years.*

Nevertheless, the group must retain a flexible outlook and be prepared to adapt its strategy to changing conditions. The chairman is confident that the group can go forward and he looks to higher profits in the current year.

In the year ended September 30, 1975 profits before tax expanded from £275,356 to £520,489 on a turnover of £10.7m. (£9.98m.).

Meeting, Birmingham, February 18 at noon.

RECENT ISSUES

EQUITIES

Issue Price p***	Amount Paid Up	Latest Renunc. Date	1975/6 High	Low	Stock	Closing Price p***	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
50c	F.P.	—	540	500	Ang.Am.Coal Corp.50c	510	−5	MQ38c	2.8	4.0	—
U.S.$	F.P.	—	$12¾	$12¼	Brazil Fund S.A.	$12¼	....	—	—	—	
—	F.P.	—	£39⅛	£29¾	Hughes Tool $1	£39⅛	+¼	Q40c	—	0.5	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975/6 High	Low	Stock	Closing Price	+ or −
::£100	F.P.	19/3	134	128	Bowring (C.T.) 10% Conv. Uns. Loan 1987	132½	+1¼
$100	—	—	99½	99	British Gas Corporation Ltd. Notes 1981	$99	....
£98	F.P.	23/1	104⅛	99½	Essex Water 9% Red. Pref. 1921	104½	....
✠HK$100 60	—	£107⅞	825p		Jardine Math. 7½% Conv. Uns. 1990	£107⅞	....
$100½	F.P.	—	100	99¾	Norway 8½% $ Notes 1981	100	+¼
£100	—	16/2	103	92	Pentos 15% Conv. Uns. 1985	102	+1¼
✠50p	F.P.	17/11	50¼p	46p	Singlo 10% Cum. Conv. Pref.	46	....
::†£100	F.P.	20/2	127	110	Tenneco 10% Sterling $ Conv. 91-95	127	....

"RIGHTS" OFFERS

Issue Price p***	Amount Paid up	Latest Renunc. Dates †	‡	1975/6 High	Low	Stock	Closing Price p***	+ or −
10	Nil	2/2	1/3	18½	16	Amber Day	16pm	....
100	F.P.	19/12	30/1	180	160	Anglo-Am Asphalt	174	−3
50p	Nil	—	—	13	10½	Baker Perkins	13pm	....
35p	F.P.	11/12	3/3	146	94	Berisford (S & W)	136	+1
56	Nil	6/2	5/3	38	30	Brentnall Beard	34pm	....
32	F.P.	21/1	20/2	42	36	Brooke Bond	42	....
100	F.P.	8/1	13/2	138	115	Eagle Star	138	+2
25	F.P.	5/1	30/1	61	58	Ellis & McHardy	58	....
60	F.P.	19/3	20/2	75½	64¾	Fairey	74½	....
67	F.P.	9/1	20/2	80	75	Green's Economisers	79	....
50p	F.P.	28/1	12/3	70	60½	Lake & Elliot	69	−1
13p	Nil	—	—	10	9	Liner Concrete Machinery	10pm	....
$1.50	Nil	30/1	13/2	156	123	Nat. Bank of Aust.	138pm	−12
60p	F.P.	9/1	13/2	79	64½	Plessey	77	−1
50p	F.P.	31/12	5/2	61	52	Pullman (R & J)	61	....
10p	F.P.	24/11	30/1	41	33	Raybeck	40½	....
92	F.P.	19/12	30/1	134	116	Runciman (W.)	129	−1
10	Nil	6/2	2/4	3¾	3	Tomkins (F.H.)	3½pm	....
85p	F.P.	23/1	6/2	115	102	Trafalgar House	112	....

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend; cover based on previous year's earnings. M Figures based on prospectus or other official estimate for 1976. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ✠ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. :: Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional—or partly-paid allotment letters. ≠ With warrants.

BIDS AND DEALS

AMC sale to Bahrain Govt.

Amalgamated Metal Corporation, a subsidiary of British Amalgamated Metal Investments (itself wholly-owned by Consolidated Tin Smelters), has sold its 17 per cent. holding in Aluminium Bahrain (ALBA) to the Government of the State of Bahrain for an undisclosed sum. The Government has recently bought another 8½ per cent. of the equity from Western Metals.

Amalgamated Metal's share of the output of ALBA's smelter was passed on to a third party on the basis that any losses arising out of metal market fluctuations would be compensated. A part provision for this compensation of £1.5m. was in the last accounts to end-1974. After paying the compensation—the figure was higher than the £1.5m. provision—Amalgamated is left with cash proceeds of £400,000.

The main effect of the disposal will be to stem the losses in the profit and loss account, and "there should be no significant loss by the group on ALBA in 1976."

SHARE STAKES

Kellock Holdings has disposed of its interests in Doloswella Holdings. Borostiva is beneficial holder of 176,000 Ordinary shares in Doloswella (28.23 per cent.).

Trafalgar House Investments now holds 674,749 Ordinary shares in WGI (17.33 per cent.).

Rentokil-Sophus Berendsen, the holding company of Rentokil, has bought a further 85,000 Ordinary shares during 1975 to make its holding 34,438,730 shares. Sophus' holding was raised from 22,902,500 shares to 34,353,750 following Rentokil's one-for-two scrip issue in April, 1974.

NO PROBE

Mrs. Shirley Williams, Secretary of State for Prices and Consumer Protection, has decided not to refer the proposed merger of Tranwood Group and Bank Bridge Group to the Monopolies and Mergers Commission under the provisions of the Fair Trading Act 1973.

GILTSPUR'S U.S. ACQUISITION

Giltspur has acquired Firks Exhibitions (Chicago), for $321,400 payable as to $145,000 on completion, and the balance in the form of a Firks loan stock redeemable in five equal annual instalments.

LEBANON MAIL FLIGHTS RESUME

Airmail services to the Lebanon, halted since January 19 because of the fighting there, have been resumed, the Post Office said yesterday. Surface mail is still suspended.

MINING NEWS

An overclouded Mount Newman

BY KENNETH MARSTON, MINING EDITOR

MEN employed at the big Mount Newman iron ore operation at Newman in Western Australia have voted to continue their week-old strike, according to industry sources. This dashes hopes of an early end to the strike which has caused a $A1m. (£0.6m.) per day shut-down. A further 300 workers of the same unions at Port Hedland will meet to-day to decide whether they will also remain out.

The strike follows dissatisfaction at the progress of negotiations on pay rates and conditions to be included in a new industrial agreement with the company. Mr. G. G. Halliwell, the State Industrial Commissioner, is expected to call a compulsory conference this week to consider the results of the Newman and Port Hedland meetings. He has already said that he will refer the dispute to arbitration if the unions and the company cannot reach agreement.

Negotiations have been going on since October and no less than 11 unions are involved. As already reported the State premier, Sir Charles Court has described the strike as "appalling."

It comes at a time when the Japanese iron ore customers, who are already expected to reduce their 1976 purchases in line with lower steel activity, are looking for other more reliable sources of supply than Australia which has a bad labour record.

Meanwhile, rising costs and reduced demand threaten the current year's profitability of Western Australia's big four iron ore producers, Hamersley, Mount Goldsworthy, Robe River and Mount Newman. Partners in Mount Newman are: Broken Hill Proprietary, CSR, Amax, Mitsui, C. Itoh and Selection Trust which also has a stake of 8.9 per cent. in Amax. Selection Trust fell 20p to 335p yesterday.

THAI DREDGES HIT BY STRIKE

The London Tin Corporation group's Southern Kinta, Tongkah Harbour and Aokam Tin companies announce that their operations in Thailand have been halted since Saturday as a result of a strike following the submission of 17 demands by the labour union.

It is added that the Labour Department has ruled that the union has no legal right to make such demands during the currency of the present agreement which does not expire until March 19. The Labour Department has been asked to intervene in the dispute.

The close-down particularly affects Tongkah Harbour which has produced 279 tonnes of tin concentrates in the past half-year against 326 tonnes a year ago. Southern Kinta, which has important mining operations in Malaysia, has produced 1,532 tonnes in the past nine months of its current financial year compared with 1,823 tonnes in the same period of 1974-75. The respective share prices were 50p and 83p yesterday.

SIERRA LEONE BAUXITE DEAL

The Sierra Leone Government has reached an agreement in principle with the Sierre Leone Ore and Metal Company, wholly owned by Alusuisse of Switzerland, which is mining bauxite ore at Mokanji.

The Government has been interested in taking a stake in the mine and negotiations have been going on intermittently since 1972, reports our correspondent. But it has now been agreed that SIEROMCO will be allowed to continue its Mokanji operation without offering the Government any partnership in the existing mine.

Instead, taxes and royalties will be sharply higher. Royalties and mining lease fees will be doubled and company tax increased from 52 per cent. to 60 per cent. until 1978 when the mining lease expires and has to be renegotiated.

Sierra Leone Government sources confirm that the company has offered the Government a majority partnership in a new and much bigger bauxite mining venture at Port Loko in another part of the country. The new venture could use the existing railway left by the collapse of the Delco iron ore company last October.

BOUGAINVILLE MINE THREAT

THE secessionists on the mineral-rich island of Bougainville in Papua New Guinea continue on the rampage. Their latest ultimatum is that they will close the site leased to the Rio Tinto-Zinc group's big Bougainville copper-gold mine unless the PNG Central Government submits to their demand for royalties of $A2.7m. (£1.67m.) to be paid from the mine. In London yesterday Bougainville Copper shares fell 8p to 108p.

Rioting erupted on Monday when the PNG Government rejected the secessionists' claims. Government installations are being burned and airstrips torn up. It is also reported that the Central Government Health Minister, Sir Paul Lapun, and two Government officers are being held by the rioters.

The breakaway movement's leaders claim that they are in full control of the demonstrations sweeping the island. The PNG Government is sending a steady flow of police reinforcements from Port Moresby and its Prime Minister, Mr. Michael Somare, has said in a radio interview that while the Government was willing to talk with the secessionists, "when it comes to this stage whereby they are taking the law into their own hands we have to act." He added, "Bougainville will always remain an integral part of Papua New Guinea."

ROUND-UP

A second interim of 2p for 1975 is declared by Tanjong Tin Dredging which has paid a first interim for the year of 2p. The single-dredge producer paid two interims of 2p and 2.384p respectively for 1974. A third interim for the year to last September of 2.1p is declared by Pengkalen which makes a total for 1974-75 of 7p. The mine paid a total of 9.53p for the previous year.

* * *

Zaire's State-owned Gecamines, which operates the former Union Miniere copper installations, reports that its copper production fell to 463,835 tonnes in 1975 from 471,072 tonnes in the previous year. Cobalt output fell to 13,644 tonnes from 17,545 tonnes. These reductions reflected the generally depressed state of metal markets and the CIPEC copper price support policy.

* * *

America's Crane Company says it has extended its $125m. Debenture offer for 23 per cent. of Anaconda's common stock until 5 p.m. on February 17.

MINING BRIEFS

CLYDESDALE (TRANSVAAL) COLLIERIES—December quarter: Tonnes sold 1,125,000 (September quarter: 987,000). Profits from mining and allied activities R659,000 (R592,000). Taxation R229,000 (R201,000). Capital expenditure R19,000 (R3,000).

TRANS-NATAL COAL CORPORATION—December quarter: Tonnes sold: Coal 4,407,000 (September quarter 4,339,000). Coke 1,000 (3,000). Net group profit R2,681,000 (R2,438,000). Capital expenditure R3,694,000 (R4,507,000).

UNITED TIN AREAS OF NIGERIA—October: Output of concentrates (73 per cent. grade): Figures in tonnes: Tin 2. November: Output of concentrates: 1. Eight months to date 25½ tonnes (same period 1974-75 43½ tonnes).

UNIT TRUSTS

M & G MAGNUM

The final distribution on Income Units of the M and G Magnum Fund for the accounting period to January 25, 1976 will be 2.25p net per unit, payable March 20, compared with 4.2p.

Total distribution for the year amounts to 4.25p net per unit, against 6.7p. The reduced distribution was caused by the less advantageous yield differential on the Fund's back-to-back loans. The prime investment objective is capital growth.

M & G AMERICAN

M and G American and General Fund announced that the re-investment of income for the accounting period to January 25, 1976, was 0.54p net per unit, compared with 0.4p net per unit last year.

MERLIN FUND

Transatlantic and General Securities announces that the final distribution on Income Units of the Merlin Fund for the accounting period January 20, 1975, to January 18, 1976, will be 1.220p net per unit, payable on March 14 and making the total distribution 2.030p net.

Burden of proof in £7m. deal 'on estate agents'

BY QUENTIN GUIRDHAM, PROPERTY CORRESPONDENT

JERSEY LAWYERS acting for Mr. Lionel Brooks, 81, who sold the estate involved in the Bewbush land affair, said yesterday that estate agents Weller Eggar "seem to have accepted that the burden of proof is on them and not us" in relation to any extra money Mr. Brooks might receive from the deal.

Mr. Richard Cristin of St. Helier was commenting on a statement from 14 partners of Weller Eggar concerning commission paid to a former partner, Mr. John Smith.

Keatfold, the company half-owned by the Reed Pension Fund which bought the land from Mr. Brooks, agreed to pay Mr. Smith a commission of 20 per cent. of the profits when the land was resold.

Part of this commission was subsequently transferred to Mr. Smith's son, Mr. Christopher Smith and to Mr. Derek Ritchie, both partners in Weller Eggar.

The statement from the 14 other Weller Eggar partners says that in February 1974 Mr. Christopher Smith and Mr. Ritchie "thought it right to account to the other partners for a proportion of their personal interest, namely £150,000."

The partners received the payments on the basis that Mr. Brooks had "given his approval for the personal financial stake in the transaction," the statement said.

The possibility of Mr. Brooks receiving extra money from the Bewbush deal was raised by the partners in their statement.

"The present partners have never been given details of the transaction, but they have resolved that if Mr. Brooks' approval cannot be established to their satisfaction, any additional income received by them as part of Mr. John Smith's personal interest in the transaction will be paid to Mr. Brooks."

Clarification

On the basis that the partnership appears to have received about half the commission paid to Mr. Christopher Smith and Mr. Ritchie, this might amount to another £150,000. Mr. Brooks received £3.25m. when selling the land.

Mr. Cristin said he was waiting for Weller Eggar to contact him. "No course of action can be decided at the moment because we need clarification of certain points."

Yesterday, while police investigations into the affair were continuing, the Royal Institution of Chartered Surveyors confirmed that it was also to take an interest, following a complaint made to it last week.

It is normal practice for the Institution to investigate any complaint formally presented to it about the conduct of a member.

Mr. John Smith, Mr. Christopher Smith and Mr. Ritchie are all fellows of the Institution. They will be asked to attend the next meeting of the professional practice committee on February 26, as will at least some of the 14 Weller Eggar partners, 13 of whom are thought to be Institution members.

The complaint lodged is likely to have mentioned two particular points in the Institution's code of conduct. One covers a member acting "in such a manner as to prejudice his professional status or the reputation of the Institution."

The second covers the broad point of fully disclosing personal interests when acting for a client.

Protest over London rate plan

By Donald Maclean

THE CITY of Westminster has protested to Mr. Anthony Crosland, Secretary for the Environment, about a London rate equalisation plan drawn up by the London Boroughs' Association.

Westminster Council said in a letter to the Secretary that it is "particularly concerned about the effects of the LBA's proposals on its domestic ratepayers." It is also worried about commercial ratepayers. "It seems clear that a further disproportionate increase in their rates liabilities can only encourage the drift from the city centre into less expensive areas," the council says.

● The Treasury has agreed to pay a contribution in lieu of rates for Buckingham Palace and St. James's Palace from next April. The contribution will be paid to Westminster City Council, who first put forward the idea last year. An exact figure has not yet been worked out.

There has never been a payment on property occupied by the reigning monarch, although from 1869 a "bounty" payment for lighting, paving and watching services was made. When the scheme was abolished in 1962 the annual levy stood at £1,246 15s 4d.

APPOINTMENTS

Senior changes at Fisons

Mr. F. J. Heath, a vice-chairman of Fisons and chairman of the Fertilizer Division, has been appointed a deputy chairman of the company. Mr. R. Bounds, finance director of the group, has become a vice-chairman and is to be succeeded by Mr. J. Valentine in the chairmanship of Fisons Scientific Equipment Division. Mr. Valentine, an executive director of the main board, was formerly managing director of the Pharmaceutical Division. Dr. J. S. G. Cox, an associate director of Fisons, and research and development director of the Pharmaceutical Division, becomes a full director of the company and deputy chairman of the Pharmaceutical Division. Mr. A. C. Allen, previously international ethical marketing director of the Pharmaceutical Division, has been made an associate director of the main Board and succeeds Mr. Valentine as managing director of the Pharmaceutical Division.

★

Mr. C. A. Hogg, chairman of International Paint and a director of Courtaulds, has been appointed to the INDUSTRIAL DEVELOPMENT ADVISORY BOARD.

★

Mr. E. Callaghan, Mr. A. J. Attwater, Mr. J. Casey and Mr. L. W. E. Perry have been appointed to the Board of FFM MARKETING, the newly-formed member of the Film Facilities group.

★

Mr. Z. S. Cetnarowicz has joined the Board of REYROLLE BELMOS, a member of the Reyrolle Parsons Group, as technical director.

★

Mr. Brian Ball has been appointed to the newly-created position of export executive of FALCON CATERING EQUIPMENT, a Glynwed company.

★

Mr. D. A. Pease, a director of Morgan Grenfell Holdings, has been appointed to the Board of MWP INCENTIVES, not Mr. Pearse as reported yesterday.

★

Three new members have been elected to the Board of MONSANTO LIMITED. They are: Dr. John A. Gardner, director responsible for planning; Mr. John Mason, director—Europe for Monsanto Industrial Chemicals Company, one of the five operating units of the parent Monsanto Company; and Mr. Gilbert White, director responsible for personnel.

Mr. L. G. C. Curran is to resign from the Board of HARLAND AND WOLFF and from his executive position as director responsible for the engine and electrical works at the end of April to take up a position overseas.

★

Debenhams states that Mr. Richard Luff has been appointed managing director of DEREK GARDNER its photographic subsidiary. This is in view of the resignation, to take effect on February 28 of Mr. Derek Gardner, who has decided to enter into business on his own account in the setting up of retail Leisure Centres.

★

Mr. Bruce A. Bangert has been appointed a director of the Petrochemicals Division of IMPERIAL CHEMICAL INDUSTRIES from February 1. Mr. Bangert joined ICI in 1958 and after holding various appointments with the group he became a member of the Planning Department, Millbank, in 1974.

★

Mr. Robert Beale and Lord Selsdon have been appointed directors of SAMUEL MONTAGU AND COMPANY.

★

Mr. Peter Bowring, group deputy chairman of C. T. Bowring and Company, has been appointed chairman of C. T. BOWRING OFFSHORE OIL (U.K.) and Mr. Don Lennard has become managing director.

★

COUNTY BANK has appointed the following investment managers: Mr. E. A. Barnes (unit trust), Mr. R. Sutherland Smith (National Westminster Bank Pension Fund), Mr. P. J. Mockford (gilt edged), and Mr. J. Strickland (property). Mr. R. J. Bryant, Mr. G. F. Casey, Mr. S. R. Metcalf and Mr. A. K. Woods have become assistant directors.

★

Major-General Sir Hugh Cunningham has been appointed Deputy Chief of Defence Staff (Operational Requirements), Ministry of Defence, as a lieutenant-general from March in succession to Air Marshal Sir Michael Giddings. Major-General R. E. Worsley is to be Commander I British Corps as lieutenant-general in April in succession to Lieutenant-General Sir Jack Harman.

CONTRACTS AND TENDERS

COMPANY NOTICES

هكذا صدر الأصل

Mr. John Methven, named yesterday as the next Director-General of the CBI, faces no easy task. By Elinor Goodman and Adrian Hamilton

The friendly persuader

Ashley Ashwood

Mr. John Methven (left) yesterday with the man he succeeds, Sir Campbell Adamson.

ONE OF the first appointments in Mr. John Methven's diary yesterday was to see Mr. Jack Jones, General Secretary of the Transport and General Workers Union. Only later was he due at Tothill Street for the formal announcement of his appointment as the new Director General of the Confederation of British Industry.

Despite the calls from some CBI members for a man who would take an aggressive stance against "creeping socialism," the Confederation has now appointed a Director General who, while a firm believer in free enterprise, has in the past criticised industry for having a head in the sands attitude to the new climate of social awareness.

Background

A lawyer by training, Mr. Methven has a solid industrial background. Before taking up the then new post of Director General of the Office of Fair Trading in November, 1973, he had been with ICI for 16 years, working his way up through the legal and central buying departments to become deputy chairman of the Mond Division, a job he combined with membership of the Monopolies Commission.

The Fair Trading Act, 1973, which set up the Office of Fair Trading, gave Mr. Methven fairly sweeping powers, both in relation to competition policy, including mergers and restrictive practices, and the broader remit of consumer protection. Generally, he has used these powers with restraint, basically favouring the voluntary approach as one avoiding what he sees as the often negative side effects of legislation. He sees his greatest successes as the voluntary codes of practice negotiated with groups like travel agents and manufacturers of domestic electrical appliances.

His greatest success has probably been the reputation the Office of Fair Trading has gained under his direction and the way he has secured the trust of both Conservative and Labour Ministers. He also has an obvious concern for the lower paid, stemming from his childhood in the North East, which has helped give him some credibility with the unions. *Extremely* hard-working and conscientious, he has sometimes been criticised for failing to delegate, and for a certain lack of decisiveness—the desire to be fair to both sides has, on occasions, driven his associates to despair of his ever arriving at a final conclusion.

It is Mr. Methven's qualities as a negotiator in difficult circumstances and his recent experience in the corridors of power and in Whitehall rather than his reputation as an industrialist which have probably made him most attractive to the CBI.

Despite the complaints of members that the Confederation has not done enough to propogate the classic virtues of the entrepreneur and the feeling, particularly among smaller companies, that it has compromised too much in favour of big business to the detriment of smaller companies, the biggest grievance of members has really been that the CBI has not proved an effective enough negotiator *with* Government in the grand tripartite discussions which have marked the last five years.

Again and again, it is to this point that the recent report of a three-man *committee* of inquiry refers when it talks of complaints that the Confederation has been too passive and too late in its response to Government moves; that it has failed to help form policy before it is decided; and that it is too unwieldy a body for this purpose. And it is to this point that the committee, very much in line with the thinking of Lord Watkinson, the CBI's next President, has directed its *main recommendations*, casting aside in the process suggestions that the nationalised industry members should be hounded out as incompatible with the aims of the organisation and that the whole structure should be slimmed down.

So Mr. Methven comes in at a time when, first, the CBI's establishment has firmly committed itself to the liberal line of its predecessors in accepting that the Government has a role to play in industry, and, second, the structure of the organisation is being re-organised to ensure greater co-operation and dialogue with Government rather than less. But this is not to say that his problems will be few.

The outrage among many CBI members following the notorious remarks of Sir Campbell Adamson, his predecessor, just before the February, 1974, election may not have signalled a move to greater political commitment by the Confederation, but it has led to a bid to create a stronger President's Committee. And this is bound to downgrade the position of the Director General and reduce his freedom for independent manouevre.

Again, the CBI may have decided on a middle line on political attitudes. But, in declaring its desire for closer dialogue with the Government, *the CBI, reflecting the very deep* divisions that remain among its members, is still a long way from deciding the fundamental point of whether, in talking of planning agreements and industrial strategy, it is not conceding principles directly counter to the interests of the majority of its members outside the industrial giants which have always benefited from cosy relations with Whitehall.

Strength

It was Sir Campbell Adamson's strength, for all his weaknesses as a political animal, that his very decency and his obvious integrity did much to smooth over the inherent conflicts within the CBI's membership and between his own role and that of the President and Council. Mr. Methven's experience is clearly strongest where his predecessor was weakest.

FT CLIPPER RACE — BY ALEC BEILBY

We can break the record, says British skipper

ROY MULLENDER, skipper of the British yacht Great Britain II, now heading northwards in the South Atlantic towards the Equator and leading the way home in the Financial Times Clipper Race, spoke directly with race officials in London by radio yesterday.

He was cheeful, and optimistic about winning the race and beating the 69-day record established by the clipper Patriarch, he said.

"We have had a week of fine sailing, covering more than 1,000 miles in one stretch of four days but are now entering an area of lighter and more variable winds.

"We are all in good spirits, though a little weary after racing over such a *great distance* and in the extreme conditions of the Southern Ocean and the recent gales that followed us up from Cape Horn.

No relaxing

"Things are better now, though not ideal for record-breaking. *The nights are clear* and last night, as the Southern Cross dropped astern, we could see the more familiar stars of the northern latitudes ahead.

"To beat the record, we must average at least 200 miles per day, but at present we are being slowed and headed from our correct course.

"We know that Anaconda, the Australian yacht, is about 1,000 miles astern and probably sailing in the winds we have lost, so she could well be catching us. There is no relaxing aboard. It seems so far still to the finish."

Food and water supplies were still adequate, but after breaking several water tanks in the Southern Ocean they were having to be careful.

"All the beer we took aboard in Sydney is finished but we still have wine for our occasional party nights. We are regaining our Sydney suntans that were washed or frozen away in the southern seas."

It was apparent they had been in touch with the Dutch ketch Great Escape since she rounded Cape Horn on Monday. The Dutch skipper, Dirk Nauta, reported that Great Escape's inner forestay had broken reducing their sail-carrying capacity, but they would be able to repair it once in the lee of Cape Horn.

No contact had been made with the Italians aboard CS e RB II or the French ketch Kriter II, now almost half-way between New Zealand and Cape Horn and averaging better than 240 miles per day.

On Monday, before establishing direct contact with London, Great Britain II reported they had split their No. 3 headsail but lowered it before it became irreparable and were already being forced east of the course they required.

The problems of the lighter winds, particularly coming almost directly from the north west, in which direction Great Britain II needs to sail, have made her lead more precarious than it seemed last week.

The estimated 1,000 miles thought to separate the British yacht from the Australians aboard Anaconda II is a distance of four or five days if the Australians carry the strong southerly winds up the South American coastline, keeping well away from the South Atlantic high-pressure area.

Anaconda has a taller, lighter rig than Great *Britain* and this could prove its value in the lighter weather to the north which the British have encountered.

In the Southern Ocean and the storms of the Tasman Sea, Great Britain had the advantages of crew experience, sturdier rigging and the discipline and "press-on" spirit of the armed forces.

These, however, are not much help in fickle weather, where the yacht rolls helplessly in the swell and sails hang lifeless.

The Australians, meanwhile, have the advantage of being the pursuer, have learned a great deal about their yacht since they left Sydney, and realise their yacht is potentially faster to windward in light weather.

The British crew may not spend too much time looking ahead, but between their present position and during the next 2,000 miles to a latitude of 10 deg. N., looking astern could be an equally agonising business if the Australians succeed in closing the gap as they cross the Doldrums and head into the north-easterly trade winds.

Great Britain II, 21.00 GMT, January 25 34 deg. 40'S 31 deg. W.

Anaconda II, same date/time, 41 deg. 40'S 53 deg. W.

Great Escape (via Scheveningen Radio) 09.15 GMT, January 26. At Cape Horn (abeam).

CS e RB II, 59 deg. S. 81 deg. W.

Kriter II (via Sydney Radio) 00.01 GMT, January 27, 56 deg. 28'S 158 deg. W.

More Britons go to the dogs

By Arthur Sandles

SLIGHTLY MORE Britons went dog racing last year than in 1974. The pastime kept its place as the second most popular spectator sport in Britain — soccer still leads.

There was a 1.9 per cent. rise in attendances at National Greyhound Racing Club courses to 6.2m. people — but the 7.8 per cent. rise in course turnover meant that, after inflation, turnover was down in real terms.

At the 48 courses which operated greyhound racing under NGRC rules in 1975 turnover was £69m. The total dog betting market is now worth about £500m., says the club, of which about £350m. is placed off-course in betting shops.

On-course betting rose by 23 per cent. to £90m. last year. Efforts are now being made to increase the "rent" which on-course bookmakers pay the courses. At the moment it is five-times the public admission charge.

"If additional income were made available from this source, there could be a marked increase in prize money to the benefit of *owners and trainers*," *said* Mr. Fred Underhill, secretary of the NGRC.

During 1975 there was an increase of 21.2 per cent. in prize money to £1.5m., given by racecourse owners and sponsors. There has been a rapid growth in recent years in sponsor interest in greyhound racing.

The year also saw record registrations of both new greyhounds at 7,263 compared with 7,067 in 1974, and new owners—4,224 in 1975 against 3,860 in 1974. The number of greyhounds registered with the Club now exceeds 20,000.

Notice of Redemption

To the Holders of

KINGDOM OF DENMARK

9% Twelve Year External Loan Bonds of 1970 due March 1, 1982

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Bonds of the above-described issue, Morgan Guaranty Trust Company of New York, as Fiscal Agent, has selected through operation of the Sinking Fund for redemption on March 1, 1976 at the principal amount thereof together with accrued interest to the date fixed for redemption $1,500,000 principal amount of said Bonds bearing the following distinctive serial numbers:

COUPON BONDS OF $1,000 EACH

M 7	1379	2499	3493	4612	5535	6677	7828	9056	10177	11298	12543	13787	15037	16288	17625	18855
13	1380	2512	3498	4524	5542	6708	7831	9074	10180	11267	12546	13789	15050	16293	17633	18858
23	1407	2526	3538	4525	5543	6724	7836	9083	10193	11281	12557	13795	15070	16307	17635	18871
48	1416	2537	3539	4534	5570	6726	7846	9097	10194	11313	12603	13824	15076	16312	17674	18887
49	1421	2538	3548	4570	5571	6736	7847	9136	10213	11317	12612	13838	15107	16335	17681	18912
61	1423	2561	3551	4592	5577	6762	7850	9167	10221	11328	12615	13841	15125	16346	17693	18946
69	1445	2562	3553	4618	5590	6769	7859	9170	10239	11341	12631	13848	15128	16349	17708	18955
137	1483	2583	3555	4619	5602	6789	7868	9174	10247	11357	12641	13852	15159	16350	17710	18962
139	1499	2600	3567	4637	5603	6825	7960	9175	10259	11368	12659	13877	15165	16374	17740	18991
144	1505	2617	3591	4647	5610	6828	7962	9192	10265	11373	12665	13892	15174	16392	17757	19018
175	1506	2655	3605	4651	5633	6840	7969	9222	10280	11377	12691	13895	15180	16393	17764	19032
183	1532	2670	3613	4661	5650	6863	7973	9228	10284	11409	12715	13925	15186	16418	17783	19081
197	1550	2675	3614	4663	5652	6868	7977	9229	10287	11435	12727	13932	15211	16444	17790	19083
199	1578	2686	3630	4716	5653	6870	8007	9235	10293	11442	12731	13941	15226	16461	17801	19086
213	1583	2696	3665	4723	5671	6894	8008	9238	10294	11450	12733	13958	15232	16472	17811	19092
226	1586	2707	3666	4730	5714	6900	8010	9262	10295	11465	12734	14001	15275	16474	17851	19109
246	1620	2708	3676	4740	5717	6901	8021	9269	10298	11497	12749	14010	15278	16503	17853	19123
268	1622	2730	3688	4741	5758	6928	8026	9274	10330	11498	12751	14017	15303	16507	17860	19126
270	1653	2739	3709	4749	5760	6965	8032	9298	10335	11501	12767	14027	15336	16516	17862	19131
279	1659	2744	3723	4750	5771	6966	8074	9322	10354	11512	12771	14050	15337	16520	17869	19147
293	1679	2772	3732	4755	5777	6971	8088	9328	10361	11552	12798	14067	15353	16521	17874	19154
301	1680	2797	3737	4766	5785	6975	8116	9354	10396	11556	12810	14084	15356	16531	17885	19182
302	1689	2813	3744	4779	5824	6992	8117	9355	10397	11562	12825	14099	15358	16571	17898	19185
340	1698	2814	3752	4782	5845	6996	8123	9358	10405	11579	12831	14124	15381	16574	17911	19193
356	1733	2819	3765	4783	5856	7002	8128	9360	10406	11586	12838	14144	15408	16603	17942	19197
374	1742	2831	3766	4789	5860	7006	8145	9362	10409	11599	12854	14150	15430	16626	17953	19201
410	1758	2834	3767	4795	5857	7018	8159	9392	10427	11620	12883	14184	15446	16631	17967	19212
439	1769	2843	3828	4802	5868	7027	8160	9429	10428	11642	12928	14188	15480	16658	17974	19221
441	1807	2846	3835	4803	5870	7042	8174	9436	10450	11645	12941	14201	15482	16686	17979	19235
496	1815	2850	3839	4824	5888	7061	8197	9447	10465	11667	12961	14212	15485	16701	18005	19269
503	1816	2856	3841	4852	5896	7064	8217	9459	10484	11675	12963	14225	15486	16725	18037	19307
522	1821	2878	3845	4882	5898	7080	8224	9467	10489	11702	12968	14229	15496	16745	18042	19316
527	1826	2905	3869	4901	5920	7084	8244	9469	10495	11709	12981	14243	15538	16753	18049	19334
529	1843	2908	3872	4907	5927	7094	8245	9472	10523	11725	12983	14276	15561	16759	18058	19343
532	1849	2920	3879	4917	5933	7095	8261	9489	10532	11730	13008	14279	15586	16760	18075	19383
587	1864	2923	3887	4921	5978	7096	8296	9506	10533	11741	13014	14280	15588	16772	18077	19417
596	1865	2957	3898	4942	5980	7108	8307	9510	10555	11747	13018	14288	15592	16790	18116	19419
617	1874	2962	3911	4946	5988	7109	8309	9519	10577	11763	13031	14313	15594	16804	18137	19428
627	1885	2963	3937	4981	5996	7115	8323	9537	10579	11772	13033	14320	15627	16824	18139	19430
644	1892	2971	3940	4982	6005	7157	8332	9553	10581	11840	13044	14326	15632	16844	18157	19434
658	1930	2976	3957	4991	6008	7163	8349	9556	10585	11855	13064	14332	15635	16857	18201	19464
666	1936	2980	3970	5013	6016	7173	8388	9563	10586	11860	13065	14349	15642	16883	18206	19480
677	1943	2989	3971	5014	6017	7174	8393	9583	10599	11867	13068	14363	15645	16896	18208	19505
699	1947	2994	3973	5019	6021	7189	8396	9603	10643	11869	13075	14379	15649	16921	18222	19510
703	1950	3002	3987	5034	6042	7205	8410	9615	10668	11870	13081	14393	15707	16936	18231	19522
704	1960	3009	3999	5040	6055	7245	8426	9633	10673	11883	13084	14440	15721	16964	18249	19523
705	1967	3012	4029	5041	6075	7259	8433	9634	10677	11884	13089	14443	15734	16984	18270	19538
733	1979	3022	4057	5053	6098	7274	8473	9653	10680	11936	13117	14469	15736	17003	18297	19555
763	2000	3030	4072	5064	6111	7283	8477	9671	10682	11941	13148	14472	15746	17004	18316	19569
793	2015	3031	4073	5071	6112	7286	8480	9677	10685	11964	13157	14481	15757	17025	18333	19586
797	2019	3072	4084	5089	6129	7300	8521	9680	10695	11988	13158	14484	15762	17050	18338	19588
813	2038	3075	4094	5094	6140	7315	8545	9681	10706	11993	13171	14515	15782	17075	18344	19592
825	2053	3104	4095	5095	6146	7327	8548	9706	10774	12001	13188	14517	15783	17088	18365	19600
828	2069	3109	4117	5121	6163	7331	8549	9710	10781	12004	13204	14541	15790	17090	18378	19604
829	2072	3114	4146	5123	6192	7356	8560	9714	10787	12015	13225	14542	15797	17099	18397	19616
853	2098	3120	4153	5134	6212	7380	8597	9716	10789	12029	13227	14550	15798	17108	18407	19622
867	2099	3127	4160	5150	6214	7395	8600	9725	10800	12048	13241	14581	15818	17127	18414	19667
870	2102	3149	4162	5182	6225	7410	8611	9755	10806	12056	13270	14600	15846	17169	18420	19698
886	2103	3152	4164	5189	6236	7430	8653	9785	10828	12059	13274	14603	15852	17171	18451	19727
915	2110	3164	4168	5191	6237	7437	8657	9793	10853	12130	13286	14611	15896	17188	18464	19732
920	2128	3173	4169	5192	6281	7445	8674	9806	10858	12147	13348	14614	15900	17197	18474	19748
928	2157	3178	4176	5207	6291	7453	8678	9809	10876	12154	13356	14658	15920	17205	18503	19750
955	2179	3181	4181	5213	6299	7459	8683	9811	10891	12156	13375	14665	15927	17241	18533	19764
978	2181	3200	4193	5219	6301	7476	8697	9885	10893	12167	13398	14694	15944	17252	18548	19779
1013	2189	3211	4227	5258	6305	7478	8715	9887	10896	12175	13415	14745	15978	17256	18561	19789
1055	2207	3212	4231	5259	6325	7482	8721	9891	10914	12192	13424	14751	15991	17263	18574	19814
1060	2213	3216	4238	5264	6326	7502	8739	9911	10931	12216	13436	14758	16024	17282	18594	19828
1063	2228	3242	4248	5277	6327	7525	8746	9914	10945	12282	13460	14773	16030	17298	18605	19839
1073	2229	3243	4250	5307	6331	7532	8747	9925	10947	12287	13461	14785	16031	17329	18613	19854
1091	2248	3254	4271	5313	6346	7567	8754	9927	10954	12293	13470	14791	16051	17341	18635	19879
1097	2262	3264	4277	5318	6362	7569	8762	9932	10975	12300	13487	14796	16071	17354	18656	19886
1103	2301	3277	4297	5335	6396	7575	8773	9936	10983	12327	13495	14799	16075	17358	18674	19910
1105	2302	3306	4304	5372	6400	7599	8781	9939	10989	12330	13519	14803	16093	17362	18677	19911
1116	2312	3314	4323	5374	6443	7622	8805	9946	10999	12337	13529	14821	16096	17367	18683	19957
1121	2319	3324	4331	5375	6447	7623	8845	9956	11007	12368	13569	14829	16102	17370	18689	19976
1160	2325	3328	4333	5381	6483	7631	8853	9971	11035	12370	13582	14861	16115	17423	18703	19995
1170	2339	3353	4358	5382	6491	7638	8863	9972	11037	12376	13593	14883	16126	17441	18720	
1192	2355	3360	4370	5386	6520	7642	8869	9999	11067	12379	13601	14890	16140	17465	18745	
1193	2364	3369	4398	5399	6539	7661	8872	10008	11077	12408	13612	14891	16145	17471	18764	
1217	2373	3385	4403	5412	6547	7701	8879	10041	11080	12419	13613	14912	16158	17472	18766	
1264	2385	3407	4417	5446	6550	7720	8888	10048	11108	12429	13621	14921	16161	17485	18777	
1274	2392	3433	4429	5452	6561	7741	8924	10049	11132	12430	13695	14927	16188	17489	18784	
1275	2420	3435	4444	5459	6583	7749	8943	10050	11143	12444	13696	14934	16202	17529	18790	
1309	2429	3444	4468	5467	6593	7764	8947	10085	11174	12448	13697	14937	16212	17581	18792	
1325	2432	3450	4469	5478	6608	7765	8968	10102	11187	12473	13699	14945	16220	17586	18804	
1327	2438	3467	4476	5486	6611	7767	8969	10146	11189	12507	13702	14968	16231	17590	18813	
1329	2461	3469	4477	5491	6668	7772	8980	10161	11220	12514	13724	14980	16255	17601	18827	
1330	2494	3479	4492	5503	6670	7787	9031	10163	11232	12520	13783	15001	16279	17602	18832	
1371	2496	3483	4509	5507	6674	7793	9052	10167	11237	12541	13784	15031	16286	17621	18839	

On March 1, 1976, the Bonds designated above will become due and payable at the redemption price aforesaid in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts therein, and will be paid, upon presentation and surrender thereof in negotiable form with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the Corporate Trust Department of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, N. Y. 10015, or (b) subject to applicable laws and regulations, at the main office of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt/Main, London, or Paris or at the main office of Privatbanken A/S, Den Danske Landmandsbank, Kjobenhavns Handelsbank or R. Henriques jr. in Copenhagen. Payments at the offices referred to in (b) above will be made by a check drawn on, or by a transfer to, a United States dollar account maintained with a bank in New York City. Coupons due March 1, 1976 should be detached and collected in the usual manner.

From and after March 1, 1976 interest shall cease to accrue on the Bonds herein designated for redemption.

Ministry of Finance of the Kingdom of Denmark
by: Morgan Guaranty Trust Company
OF NEW YORK, *Fiscal Agent*

January 28, 1976

NOTICE

The following Bonds previously called for redemption have not as yet been presented for payment:

COUPON BONDS OF $1,000 EACH

M105	352	1237	1731	2291	2463	3397	4282	5859	6830	7733	9892	11218	12800	13584	14731	16564	18060
120	1007	1254	1788	2304	2522	3413	4342	5863	7227	7758	9893	11998	12849	13742	14743	16869	18071
131	1011	1321	1790	2333	2640	3589	4396	5872	7230	7760	9894	12061	12872	13939	14771	17113	18800
132	1030	1350	1792	2367	2642	3681	4925	5921	7633	8030	10728	12129	12887	13940	14860	17514	18034
207	1041	1351	1818	2387	2846	3767	5054	6344	7378	8324	11109	12131	12988	13942	15418	17519	18045
284	1061	1596	1819	2389	2857	3774	5086	6357	7605	8687	11144	12460	13109	14158	15491	17579	18111
298	1108	1685	1825	2390	2917	3975	5139	6517	7651	9434	11148	12470	13601	14276	15922	17580	18112
300	1169	1716	1969	2436	2939	3984	5144	6543	7704	9471	11149	12597	13620	14728	16196	17583	18578
598	1206	1719	2285	2442	3219	4093	5147	6566	7710	9885	11151	12598	13683	14729	16441	17594	

AMPTC shuffles its shipping orders

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE ARAB Maritime Petroleum Transport Company has halved its commitment to buy four new Ultra Large Crude Carriers through two separate deals which take advantage of the current surplus in oil tanker capacity.

Formed by nine oil producing countries in early 1973, AMPTC is one of the few shipowning companies in the world seeking to build up an oil tanker fleet. Its latest ULCC moves have been prompted by the fact that virtually new vessels can be bought for 75 per cent. or less of their construction price.

Claiming that it has hit upon an arrangement which "would not only inflict the minimum loss on to the shipyard concerned, but would help some other hard pressed owners as well," AMPTC has in effect cancelled two 318,000 deadweight ton ULCCs on order from the West German Bremer Vulcan yard and two other 386,000 d.w.t. vessels contracted for at another German yard, AG Weser.

In the Bremer Vulcan case, the Arab shipping company will buy one ULCC, which is already afloat, from a Norwegian owner who will in turn help bolster Bremer's order book by ordering another two ships whose type has not yet been revealed. At AG Weser, AMPTC will buy a ULCC which was cancelled by another owner before the contract was completed.

These deals almost certainly cut the cancellation charges which AMPTC might otherwise have faced and also acquire for the Arab company to ULCCs for less money that it would have cost to buy them directly from the shipyards concerned. Current construction cost of a ULCC is around $70m.

Most owners wishing to cancel their tanker orders are being pressed by shipyards to substitute other vessels for the original tanker order. But AMPTC is precluded by its charter from operating anything but oil and petroleum products tankers so these latest deals appear to be a neat way of solving the company's problem.

Mr. Abdul Rahman Al-Sultan, AMPTC's vice-chairman and managing director, said yesterday that his company was still in the market for smaller crude carriers and liquefied natural and petroleum gas carriers.

AMPTC's latest second-hand purchases are believed to include two 135,000-dwt tankers at $14.25m. each. These were originally ordered by the Greek owners, Pappadakis, and from the Japanese yard, Nippon Kokan KK, at a contract price of around $20m. each. These ships plus the new VLCCs will bring AMPTC's tanker fleet up to eight vessels.

AMPTC is owned by Algeria, Libya, Egypt, Iraq, Kuwait, Bahrain, Qatar, United Arab Emirate and Saudi Arabia.

Gloeggler solution mooted

BY GUY HAWTIN

FRANKFURT, Jan. 27.

BANK FUER Gemeinwirtschaft, which is owned by the West German trade unions, to-day disclosed that it is owed some DM120m. by the troubled Gloeggler group. BfG is understood to be the largest creditor among the 14 banks to which money is outstanding.

Dr. Walter Hesselbach, the BfG chief executive, said to-day that, of the total amount advanced, between DM25m. and DM30m. was reckoned to be lost and would be written off during 1976. The remainder, he said, was well secured.

The BfG chief also outlined a solution for the liquidity problems of Erba Fuer Textilindustrie Erlangen and AKS Augsburger Kammgarnspinnerei—two of Gloeggler's largest textile companies. The plan, he said, had been accepted by Herr Hans Gloeggler, founder of the group.

Under the terms of the rescue plan, the major shareholders—and that, basically, means Herr Gloeggler—would lose their investment. The small independent shareholders in AKS, while taking a heavy loss, would get something.

The rescue plan involves writing down the shares of both companies to zero and the issuing of new shares to which Herr Gloeggler would not be expected to subscribe. Independent AKS holders, however, would have their written-down shares exchanged for new ones in the ratio of one new share to four old.

AKS and Erba between them would need a capital injection totalling DM70m. Of this, half would come from the State of Bavaria (through the State Institute for Reconstruction Finance), while the remaining DM35m. would come from the creditor banks. BfG's share of this amounted to DM5.6m. The banks would also grant a moratorium in respect of 1976's interest payments.

ESCOM to raise $200m.

BY MARY CAMPBELL

THE ELECTRICITY Supply Commission of South Africa is raising a $200m. five year Euromarket loan, Euromarket sources say. The maturity of the loan is expected to be five years and the spread 1¼ per cent.

The lead managers for the loan are said to be Barclays, Chase Manhattan, Citicorp International, Manufacturers Hanover and Morgan Guaranty.

It is understood that the proceeds of the loan will be put towards ESCOM's capital expenditure requirement which this year amounts to about R636m. The main expenditure is to be on three new coal fired power stations being constructed in the Eastern Transvaal to provide a total of 10,200 megawatts per annum when installed and operational. The stations will be at Matla, Kriel and Duvha. One of the new stations is to start operating this year and the other two by the end of 1979.

In view of the Angolan situation, there had been some concern that ESCOM might have money involved in South West Africa or in Angola itself. It is understood, however, that ESCOM has made it clear that the South West African electricity grid is completely separate from the South African grid, and that ESCOM has no financial involvement either in South West Africa or in the Cunene River scheme on the Angolan border. It acts as agent for the South West African Water and Electricity Commission, it is understood, only insofar as it provides advice on the design and construction of power stations in South West Africa and technical advice on the Ruacana dam.

The Offshore Mining Company of New Zealand has completed arrangements for its $200m. Euromarket financing. The nine year loan offers a spread of 1¼ per cent. over interbank rates. Citicorp International, the lead manager, has noted that the loan was over subscribed by $57m.

The proceeds of the loan will be put towards development on the Maui gas and oil field of the West coast of the North Island. The Offshore Mining Company represents the New Zealand Government's 50 per cent. involvement in the field.

Daimler-Benz full of optimism

By Adrian Dicks

BONN, Jan. 27

DAIMLER-BENZ, which last year achieved a 20 per cent. increase in turnover to a new level of more than DM20bn., expects a further rise in car production this year according to Herr Heinz Schmidt, a member of the company's management Board.

Using the opportunities created by a presentation of the new Mercedes model range at Bandol, in Provence, Herr Schmidt provided several other new figures illustrating the very strong performance once again put up by Daimler-Benz last year.

Total production of cars was slightly over 350,000 units. Of these, 45,000 were sold in the U.S. — where sales rose by 18.6 per cent. in sharp contrast to the hard times experienced there by other European manufacturers. Sweden provided Daimler-Benz with an even more rapidly growing, albeit smaller, market: sales there rose by 30 per cent. to reach 13,613 units.

Looking ahead to 1976, Herr Schmidt took an optimistic view of the U.S. market's development, predicting industry sales of 10.5m. cars, and within that figure, "better than average" prospects for the high-quality cars which Daimler-Benz produces.

Herr Schmidt also made it clear that the company's long-awaited venture into smaller and less expensive cars is being undertaken with characteristic caution. He said Daimler-Benz was aware of the very keen interest in the new model range, but that for production reasons, this would be kept within relatively narrow limits, for the time being at least.

French coal board makes a loss

PARIS, Jan 27

THE FRENCH Coal Board (Charbonnages de France) said it made a consolidated loss in 1975 after the previous year's profit of Frs.197m. But net consolidated turnover exceeded the Frs.10.4bn. recorded in 1974.

A CDF spokesman said it is still too early to specify more accurately the actual turnover and loss figures for 1975.

Losses on coalmining interests alone are estimated at more than Frs.500m. (loss Frs.12.3m.) on a turnover of around Frs.6bn., broadly similar to the 1974 figure.

French coal consumption in 1975 is estimated at 42m. tonnes (47m.) with domestic production accounting for 24m. (24.5m.) Coal stocks rose sharply to 6.1m. tonnes (3.6m. tonnes) last year with coke stocks gaining to 1m. tonnes (200,000 tonnes) as demand for both products declined. Reuter

Burroughs aims to manufacture computers in Japan

BY CHARLES SMITH, FAR EAST EDITOR

TOKYO, Jan. 27.

THE U.S. BURROUGHS Corporation has become the first company to take advantage of the liberalisation of foreign investment in Japan's computer industry by filing an application with the Ministry of International Trade for permission to make computers at an existing Japanese-owned factory.

Burroughs would take over the Factory, at Gotemba near Mount Fuji, which is at present owned by Takachiho Koeki and would initially continue making the Japanese designed TK 1 minicomputers now being produced there. At some future date Burroughs could switch to producing its own 6,600 series of big computers from imported ckd kits but the timing or even the probability of such a switch is being left vague. A spokesman for Takachiho, which has agreed to sell the Gotemba plant to Burroughs, said that he thought it would be at least one year and possibly two before Burroughs was ready to start ckd manufacture. The company itself has refused to comment.

The Gotemba factory will be operated after the change of ownership by Takachiho Burroughs, a joint venture sales and service company which was originally owned 50-50 by Burroughs and Takachiho. Burroughs, however, bought out all but 5 per cent. of Takachiho's holding in the company before the end of last year so that it now has 95 per cent. control of the joint venture. One reason cited for the purchase was Takachiho's need for funds resulting from unsuccessful real estate operations. An informal arrangement is believed to exist for the transfer of some of the joint venture company equity back to Takachiho at some future date, but for the time being Takachiho's share in the joint venture will be reflected only in its president holding a directorship.

A spokesman for the Ministry of International Trade and Industry said to-day that the Ministry had received Burrough's application and would probably recommend its approval to a joint industry-government council on incoming foreign investment which meets once a month. The spokesman said that after receiving the Ministry's approval Burroughs would be legally entitled to procede to full scale manufacture of computers.

In Japan he added, however, that in practice Burroughs would be expected to keep the Ministry informed of its plans and to seek official understanding of any changes.

Liberalisation of foreign investment in the computer industry up to the level of 100 per cent. ownership became effective at the beginning of December last year, some two-and-a-half years after computers had been excepted from a more general round of investment liberalisation. Burroughs is the first company to take advantage of the liberalisation so far as hardware is concerned, but IBM has a major stake in the Japanese computer industry dating back to before the war. Burroughs would thus become the second foreign computer manufacturer in Japan but on a scale dwarfed by the existing IBM operation.

Gloom at Cambridge Credit

BY JAMES FORTH

SYDNEY, Jan. 27.

THE COLLAPSE of finance and property group, Cambridge Credit Corporation, is likely to result in the loss of at least $A64m. to creditors and shareholders, according to the company's receivers. The joint receivers, Mr. C. H. Jackson and Mr. G. F. Warhust, said in a statement to-day that there was little or no prospect of unsecured creditors or shareholders receiving any return from the company's assets. It also appeared that debenture holders may not be repaid in full. Moreover, there was little likelihood of any return to debenture holders for several years. Cambridge Credit went into receivership in September, 1974 in the wake of a sharp Government-induced credit squeeze. Its collapse at the time resulted in a sharp drop in public investment in finance-company debentures and caused a run on some building societies

The receivers' report is at sharp variance with a statement of affairs released by the Cambridge directors last May. The Board estimated there would be a surplus of $A22.9m. after repaying shareholders and secured and unsecured creditors. There are $A92m. owing to debenture holders, $A51.7m. to unsecured creditors and $A12.4m. to shareholders. At the time the receivers cast doubts on the directors' estimates.

Repayment of the debentures, according to the receivers, was materially dependent on the realisation of the group's substantial joint venture interests, which the directors had previously valued at $A95.5m.

There are between 500 and 600 of these joint ventures and the receivers are still unable to place a value upon them. They said it would take another six to nine months to assess properly the value of these investments, the company's main assets.

On present indications, assets other than joint ventures should produce between $A25m. and $A30m. before costs and the expenses of realisation. This would represent about 27 cents in the dollar for debenture holders, after including two years' debenture interest of $A18m. but is a $A48.5m. downward adjustment on the Board's valuation for these assets. The largest single reduction in these assets falls on land development projects. The directors valued them at $A45m. and the receivers believe they could be worth as little as $A8m

The receivers also expect a substantial shortfall of at least $A5.5m. in the company's debtors balances. The major portion is represented by a $A4.8m. debt with a company in which the shareholders at the time the receivers were appointed were members of the family of "certain directors" of Cambridge. The company in question, Wellington Court Holdings, is now in liquidation and any recovery of the debt was unlikely. Its statement of affairs was signed by two former Cambridge directors, Mr. R. E. Hutcheson and Mr. T. G. Whitbread.

The economic conditions prevailing over the past year made it impracticable to realise any significant part of group assets. Auctions of land for development have been "most unfruitful" and an improvement in the economy and a reduction in interest rates is needed before any marked improvement in the rate of realisations can be expected.

About $A25.5m. has been realised so far, but $A10m. went to satisfy prior ranking mortgages and the balance was mainly used to service other mortgages to protect "worthwhile assets."

United Brands 'consents' to bribery charges

BY DAVID BELL

WASHINGTON, Jan. 27.

UNITED Brands, still refusing to admit or deny that it paid a $2.5m. bribe to Honduran officials in exchange for a lower tax on bananas, agreed to-day to appoint a special committee under a distinguished law professor to examine the past five years of the company's books.

The agreement to set up the committee, which will be headed by the Dean of the Columbia University Law School and have three non-executive directors on it as well, was part of an agreement with the Justice Department under which United Brands "consented" to bribery charges first brought by the Securities and Exchange Commission nine months ago.

By consenting, the company — the largest fruit importer in the U.S. — has changed its position because last year it steadfastly refused to agree to consent even though that is not an admission of guilt under U.S. law. United Brands is the latest in a series of companies to be charged with, to have been convicted of or to have voluntarily disclosed illegal campaign contributions, bribes kickbacks and questionable payments exceeding some $400m.

Also involved in the consent order are allegations that the company may have paid some $750,000 to officials in Italy. Both this and the alleged payment in Honduras came to light when the Secretary General began investigating the circumstances of the suicide of Mr. Eli Black, the chairman, last winter.

Healthy picture at Peugeot

BY RUPERT CORNWELL

PARIS, Jan. 27.

PEUGEOT, the French car maker shortly to take control of Citroen, has given further proof of its financial strength with the announcement that 1975 profits of the key automobile subsidiary will be almost double the Frs.52.1m. achieved the previous year.

In a detailed statement accompanying the announcement that the holding company Peugeot SA will be making a one for four scrip issue soon, the group said Automobile Peugeot is expecting a rise in cash flow of at least 10 per cent. from 1974's Frs541m., despite a drop of 7 per cent. last year in unit output.

Out of a turnover of Frs.11.3bn.—itself 19 per cent. higher than in 1974—Frs.6.3bn. was generated within France. Export sales rose more slowly, by 11 per cent. to Frs.5.4bn.

The picture is also bright for the group's other motor industry interests. These comprise for the most part marketing companies, which generally improved their results over the year. Even the trouble-torn Argentinian subsidiary will succeed in reducing its 1974 losses.

Less encouraging was the performance of the steel, machine tool and cycles divisions of the Peugeot Group. Aciers et Outillage Peugeot reports a 1.5 per cent. drop in sales to Frs.704m. and a fall of 30 per cent. or more in cash flow and profits, which reached Frs.32.5m. and Frs.6m. respectively in 1974.

Volvo profits fall away

BY JOHN WALKER

STOCKHOLM, Jan. 27.

PRETAX profits of the Volvo group have dropped to Kr.485m. (£54m.), compared with Kr.737m. in 1974, the company states in its preliminary report for 1975. This represents a margin of 3.6 per cent. on sales, against 6.6 per cent in 1974. Group sales last year rose by 29 per cent. to Kr.13.6bn. (£1.5bn.) from Kr.10.5bn. in 1974. The Board recommends an unchanged dividend of Kr.6 per share.

Pretax profits in the fourth quarter of last year showed a marked improvement over the third quarter and may herald a brighter outlook for the car market. As opposed to earlier years, the figures for 1975 include results from Volvo Car in the Netherlands. If sales and profits of this company are deducted, Volvo group income is Kr.565m. (£63m.) and the corresponding margin of profit rises to 4.4 per cent.

Parent company sales last year amounted to Kr.8.3bn. (£930m.)—an increase of 24 per cent. over the previous year's outcome. Exports increased by 26 per cent. to Kr.5.9bn. (£652m.) accounting for 71 per cent. of parent company sales. Parent company pretax profits are expected to be Kr.340m. (£38m.), compared with Kr.411m. in 1974.

The number of parent company employees at the year-end was marginally down to a total of 33,400. The cost of payroll and social benefits increased during the year by 23 per cent. to reach approximately Kr.2.03bn. (£220m.). Last November Mr. Per Gyllenhammar, Volvo's managing director, called for a wage freeze in Sweden and more realism and less wishful thinking in policy making.

The Board also recommends that the share capital should be increased by Kr.98m. to Kr.882m. by an issue of one for eight at a value of Kr.70 per share. Prior to the announcement, the shares were quoted at Kr.138 on the Stockholm Stock Exchange. The shares will be entitled to a dividend for the 1976 business year of Kr.6 per share.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	102½	103½
Ashland 8pc 1987	93	94
Austraswiss 8pc 1987	92	93
Borregaard 9½pc 1989	96½	97½
Broken Hill 10pc 1990	104½	105½
Carrier 8pc 1987	92	93
Conoco 8pc 1986	99	100
Consd. Foods 7½pc 1991	89½	90½
Cutler Hammer 8pc 1987	93	94
EIB 9½pc 1983	101	102
ERAP 9½pc 1985	100½	101½
Esso 8pc 1986 Nov.	99½	100½
General Cable 8½pc 1987	90½	91½
General Motors 8½pc 1986	103	104
Grangos 9½pc 1983	99½	100½
GTE 8½pc 1996	97	98
New Zealand 9½pc 1983	101½	102½
Pacific Lighting 8pc 1983	93½	94½
Prov. of Quebec 7½pc 1989	87½	88½
Quebec Hydro 8½pc 1989	99	100
Queensland 8½pc 1987	92½	93½
Scanraff 8½pc 1988	98½	99½
Shell 8pc 1988	99½	100½
Stand. Oil (Ind.) 9½pc 1988	100½	101½
Tenneco 7½pc 1987	90½	91½
Transocean 8pc 1988	99½	100½
Utah 8pc 1987	95½	96½
Volvo 9½pc 1983	101	102
NOTES		
Air France 9½pc 1982	101½	102½
Ardal 9½pc 1980	101½	102½
Aust. Ind. Dev 10½pc 1981	103	104
Barclays 9½pc 1982	100½	101½
Cie Ntl. du Rhone 10pc '82	103½	104½
Du Pont 7½pc 1976	101	102
Esso 7½pc 1978	100½	101½
General Motors 9½pc 1976	100	101
Montreal 9½pc 1981	101½	102½
Nippon Steel 9½pc 1980	100½	101½
Norway 9pc 1980	102	103
Skand Enskilda 10½pc 1981	104½	105½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	86	88
Ashland 5pc 1988	82	84
Beatrice Foods 4½pc 1992	96½	98½
Beatrice Foods 4½pc 1992	109	111
Borden 5pc 1992	97	99
Broadway Hale 4½pc 1987	77	79
Canon Camera 7½pc 1989	103	105
Carnation 4pc 1987	84	86
Chevron 5pc 1988	99	101
Dart 4¾pc 1987	87	89
Eastman Kodak 4½pc 1988	122	124
Economic Labs. 4½pc 1987	81	83
Eldal 7½pc 1989	77	79
Fed. Dept. Stores 4½pc '85	132	134
Firestone 5pc 1988	92	94
Ford 6pc 1986	93	94
Ford 5pc 1988	83	84
General Electric 4¼pc 1987	88	90
Gillette 4¾pc 1987	77	79
Gould 5pc 1987	96	98
Gulf and Western 5pc 1988	99	101
Harris 5pc 1992	76	78
Honeywell 6pc 1986	82	84
ITT 4½pc 1987	71	73
Komatsu 7½pc 1990	107	109
J. Ray McDermott 4¾pc '87	122	124
Mitsui 7¼pc 1990	109	111
J. P. Morgan 4½pc 1987	111	113
Nabisco 5½pc 1988	95	97
Owens Illinois 4½pc 1987	98	100
J. C. Penney 4½pc 1987	63	65
Pioneer 8½pc 1989	209	211
Rank 4½pc 1993	49	51
Revlon 4½pc 1987	101	103
Sperry Rand 4¼pc 1987	97	99
Squibb 4½pc 1987	83	85
Texaco 4¾pc 1988	77	79
Toshiba 6½pc 1990	105	107
Union Carbide 4½pc 1982	124½	126½
Warner Lambert 4½pc 1987	93	95
Warner Lambert 4½pc 1988	81	83
Xerox 5pc 1988	75½	77½

Source: Kidder, Peabody Securities.

Brokerage firms' record profits

By Jay Palmer

NEW YORK, Jan. 27.

CELEBRATING Wall Street's latest burst of enthusiasm since the start of this year, two of America's largest brokerage firms to-day reported record profits for 1975. While Merrill Lynch, the industry's largest house, said that its annual net rose 155 per cent., E. F. Hutton disclosed that its year's earnings were up by 252 per cent.

In both cases the gains, however impressive, had already been largely discounted. Preliminary industry figures last year had indicated a massive swing back to profits after 1974's losses and it was clear that, once again, the size and commission pricing muscle of the companies would play an important part in determining the extent of growth.

Revealing that its fourth-quarter 1975 revenue was up 4 per cent. to $241.3m., Merrill Lynch said that its net profit for that period jumped 52.3 per cent. to $22.7m. from $14.9m., lifting its quarterly dividend by 5 cents to 20 cents a share. Merrill Lynch said that its annual net came out at $95.7m. compared with $37.5m. in 1974. On annual revenues up 22 per cent. to $979.3m., this left earnings per share at $2.69 against $1.04.

E. F. Hutton, by contrast, did less well in the final three months but still managed a larger increase over the 12 months. Its final quarter net rose 9.1 per cent. to $3.6m. lifting annual profits to $20.1m. Full year's earnings per share jumped nearly $3 to $4.24 while revenues over the same period climbed 37.5 per cent. to $253m.

The main surge forward at both Merrill and Hutton — and almost certainly throughout the industry as a whole—came during the first half of 1975 when trading volume reached its highest levels.

The high trading volume and general market euphoria during 1975 quite clearly has compensated for the initial impact of commission rate discounting. But with institutional transactions continuing to be discounted by as much as 60 per cent. of old levels, there remains a fear that any approaching slump in business could seriously hurt many firms.

While this possibility cannot be eliminated, both Merrill and Hutton stressed that their 1975 growth came not only from equities but also from sharply increased profits in underwriting, bond trading and commodity activities.

If the first few weeks of 1976 are any guide, the current bicentennial year should see yet another bonanza for the U.S. securities industry. Within the last three weeks, the NYSE has on two separate occasions set new daily trading volume records while, at the same time, share prices (the other critical factor in commission returns) are also moving up.

Xerox talks to the analysts

NEW YORK, Jan. 27.

XEROX CORPORATION expects costs from the production and marketing of its 9200 high-speed duplicator system amounting to "several hundred million" dollars in 1976, chairman C. Peter McColough told a private meeting of institutional investors here.

As a result, he said, Xerox will not be able to achieve its projected 15 per cent. average growth in profits and revenues, although this growth projection remains intact for the long term.

Mr. McColough said that Xerox expects major growth in its centralised duplication business, "very heavy revenues" from its new 800 electonic typewriter system, a profitable return, on a monthly basis, by later 1977 from the 9200, computer printing equipment, such as its 1200 printer series, and in colour duplicating, which it termed as "somewhat disappointing" at present.

Asked whether Xerox is concerned with the prospect of International Business Machines Corporation introducing a new high-speed copier system soon, a company official said: "Our 9200 is a viable device to compete with any new IBM copier/duplicator."

Mr. McColough declined to say how many 9200 units Xerox expects to produce and place in 1976, although he said the number will be "very substantial."

However, president Archie R. McCardell said customer revenue and volume of use from current in-place units are "less than expected" and Xerox is currently running "seven weeks behind schedule" in 9200 placements.

Xerox officials also disclosed that the company expects to terminate in 1976 between 2,000 and 3,000 employees not associated with production, servicing and sales. However, Mr. McColough said that these lay-offs will be offset by the hiring of a similar number of workers for new products and business. These lay-offs will be distributed about equally among domestic and international operations.

OIL QUARTERLIES

SHELL OIL earnings per share fell to $7.59 in 1975 from $9.21 previously. Net income was $514.8m. ($620.5m.) and, for the fourth quarter, $132.5m., down 16 per cent.

Hudson's Bay Oil and Gas Co. reports 1975 earnings per share of $Can.3.68 ($3.07). Net income and revenues were $Can.69.7m. ($58.4m.) and $Can.327.8m. ($258.6m.) respectively.

اقتصاد الأعمال

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WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Profit-taking halts advance: off 3.7

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Jan. 27.

PROFIT-TAKING halted the upward movement on Wall Street to-day, when the market closed mildly lower after small bursts of selling.

After opening 4.72 lower at 956.79, the Dow Jones Industrial Average rallied to 968.12, up a net 6.61, before reacting to 957.81, for a net loss of 3.70. The NYSE All Common Index finished 20 cents off at $52.55, after rising 16 cents to $53.00. Declines led advances by 799-to-726, while the trading volume decreased 2.4m. shares to 32.07m.

For most of the day Wall Street was cheered by favourable Corporate earnings news and dividend increases by some large Corporations.

In the day's economic news, Productivity in the fourth quarter rose at a far slower pace than in the third quarter, the U.S. Trade Surplus hit a record $11.05bn. for 1975, despite a December decline, and Mr. Greenspan, Chief Economic Adviser said Congress could throw the U.S. into another recession if it allows the budget deficit next year to climb to the level of this year's projected $76bn.

Proctor and Gamble lost $2 to $92, *although it reported higher per share profits for the second quarter.*

U.S. Steel rose $1¼ to $79¾—it reported lower earnings, which were higher than some Wall Street estimates.

Kamberly-Clark climbed $2¾ to $46⅝, following its higher earnings.

Merrill Lynch shed $¾ at $21, although it came in with improved earnings and also boosted the dividend.

Digital Equipment dipped $1⅞ to $154¼, despite higher earnings.

Du Pont gained $¼ to $154 on sharply higher fourth-quarter profits.

IBM were down $4⅜ to $249⅞. Vetco Offshore $3 to $24⅞. Atlantic Richfield $2¼ to $82¾. Georgia Pacific $1⅜ to $49¾. Coca-Cola $2⅛ to $90⅞ and Philip Morris $¼ to $53½.

Union Carbide dripped $1⅞ to $76⅝ on lower fourth quarter profits.

Great Northern Nekossa fell $3 to $55¼. Fairchild Camera $2⅞ to $49 and Texas Instruments $2⅛ to $115¼.

Western Company of North America moved up $1⅜ to $13⅞ on sharply higher fourth-quarter net.

Bausch and Lomb tacked on $2⅞ at $33⅞—it said sales and earnings *for 1975 "considerably exceeded"* all prior year figures.

The American S.E. Market *Value Index rose 0.10 to 94.95,* while advances led declines by 381-to-321.

Canada narrowly mixed

The Industrial Share Index rose 0.30 to 184.24, Base Metals 1.26 to 80.07, Utilities 0.77 to 134.74 and Banks 1.37 to 240.30. But Golds lost 0.81 to 250.57, Western Oils shed 0.27 to 209.62 and Papers eased 0.20 to 114.50.

OTHER MARKETS

PARIS—Majority of French *shares easier in light trading.*

Banks, Motors, Constructions and Electricals were mixed, while *Textiles was the only sector to show any improvement.*

U.S. issues were narrowly *mixed,* Germans were better, while Dutch and Belgian stocks were generally lower.

International Oils slid back.

BRUSSELS — Mixed after *another lively trading session.*

Steels declined. In mixed Non-Ferrous Metals, Union Miniere eased Frs. 10 to 1,464 but Vieille Montagne rose Frs.25 to 4,625. Chemicals tended lower.

In weak Oils, Petrofina fell Frs.60 to 5,760. Electricals and Utilities were mixed. GB-Inno-BM gained Frs.35 to 1,895 in firm Stores.

U.S. shares were mostly lower. South African Gold Mines generally steady, Germans little changed, French stocks mixed, Dutch sector easier, Zaireans lower.

GERMANY—Mixed in moderate trading.

Banks were a little lower, while Electricals were selectively higher. Chemicals mostly gained ground.

Motors were mostly higher. Daimler put on DM0.80 to 349.8 after announcing a new model range. VW rose DM1.50 to 159.50. Machine Makers were mixed to lower, Steels predominantly higher and Metals gained a little ground.

Minings advanced, Utilities were mixed, Stores declined, while Breweries were about steady.

Bond Market very quiet with prices mixed. The Authorities sold DM2.5m. nominal of stock. Mark Foreign Loans were steady.

AMSTERDAM — Fractionally *lower in slow trading.*

Banks were strong, however. Algemene Bank Nederland moved up *Fls.4.50* and Amsterdam-Rotterdam Bank rose Fls.0.60. Insurances firmed. Most Transportations *declined and* Dutch Industrials were mostly lower.

Losses prevailed in the Bond Market. Government Loans shed up to Fls.0.20.

VIENNA—*Slightly easier* with little interest evident.

OSLO—Industrials were firm, while Banks, *Insurances* and Shippings were quiet.

COPENHAGEN—Slightly higher *in continued active trading.*

MILAN—Prices rallied an average 1.5 per cent on speculative *demand, reflecting* better prospects for the solution of the political crisis.

SWITZERLAND—Markets were mixed in moderately active trading.

Banks *and Financials* were quietly irregular, Insurances firmed slightly, while Industrials also were *mixed.*

State Bonds were irregular.

The Foreign sector was again very active. Dollar stocks were mixed, while Dutch Internationals were barely steady.

HONG KONG—Slightly lower in active trading.

Hong Kong Docks fell back 90 cents to $HK9 but Hong Kong Wharf firmed 40 cents to $HK15.80.

Hutchison lost 2½ cents, Hong Kong Land and Swire Pacific 5 cents and Jardine Matheson 10 cents.

TOKYO—Initial gains were *curbed by late profit-taking.* Volume 430m. (360m.) shares.

Constructions, Flour Mills, Petroleums and Machineries were in demand.

Export-Oriented shares were lower after opening higher on estimates Japan's exports to U.S. would rise 18 per cent this year.

Motors and Electrical also eased on profit-taking.

JOHANNESBURG—Gold shares were generally marginally easier, although Western Deep rose 30 cents to R1,600 on London interest. Financial Minings were little tested.

Coppers were lower, with Messina off 5 cents to R400. *Platinums were quiet and lost up to 5 cents.*

Industrials also were quiet and a *shade easier.*

AUSTRALIA—Generally unsettled in quiet trading.

Uraniums attracted early support and provided the one bright spot. Pancontinental were lifted 40 cents to $A11.40 but Old Mins shed 7 cents to $A2.45.

Peko-Wallsend dropped 15 cents to $A4.40 and Bougainville 9 cents to $A1.06 on news of disturbances on the island.

GMK moved up 9 cents to 64 cents and Emperor 5 cents to 65 cents.

Gomalco advanced 12 cents to $A1.65 and *Elder Smith GM* picked up 3 cents at $A2.20.

Hamersley came back 10 cents *to $A1.75 after an early rise on* its interim results.

Burns Philp gained another 10 cents *at $A2.70.*

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume† 000's
Jan. 27	70.92	197.36	957.81	90.75	32,070
26	70.94	197.36	961.51	90.65	34,470
23	70.90	197.53	953.95	90.62	44,640
22	70.85	196.51	945.48	89.98	27,420
21	70.85	195.77	946.24	90.24	34,470
20	70.75	197.42	949.88	90.39	36,890
19	70.67	196.05	943.72	90.50	39,450
16	70.68	191.32	929.63	89.96	25,940
15	70.64	190.33	924.51	89.34	38,450
14	70.35	190.69	929.63	89.24	30,540
13	70.27	187.11	912.94	88.29	34,550
12	70.06	188.41	922.39	88.70	30,440
9	69.90	185.21	911.13	87.97	26,510
8	69.77	185.06	907.98	87.71	29,030
7	69.52	182.50	898.69	87.39	33,170
6	69.57	181.32	890.82	87.36	31,270
5	69.29	178.57	877.83	86.43	21,960
2	69.11	175.69	858.71	84.84	10,300
1975-76 High	70.94 (26/1/76)	197.42 (20/1/76)	961.51 (26/1/76)	90.75 (27/1/76)	—
Low	58.18 (5/1)	146.47 (2/1)	852.60 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	38,450 (15/1/76)
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Jan. 23	Jan. 16	Jan. 31 1975
3.92	4.02	6.38

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975-76 High	Low	Jan 27	Jan 26	Jan 23	Jan 22	Jan. 21
52.84 (26/1)	37.06 (2/1)	52.55	52.84	52.59	51.87	52.05

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,907	726	799	383

	Jan 27	Jan 26	Jan 23	Jan 22	Jan. 21
New Highs	238	363	308	188	880
Lows	one	one	5	nil	one

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975-76 High	Low	Jan 27	Jan 26	Jan 23	Jan 22	Jan. 21
96.80 (15/7)	82.20 (2/1)	94.95	94.86	94.17	92.69	92.95
Volume (000's)		3,480	4,210	4,480	5,030	5,110

STANDARD AND POORS U.S. STOCK INDICES

		*Industrials	†Composite
Jan. 27		111.06	99.07
26		111.72	99.68
23		111.16	99.21
22		109.79	98.04
21		110.02	98.24
20		110.76	98.88
19		110.14	98.32
1975-76	High	111.72 (26/1/76)	99.68 (26/1/76)
1975-76	Low	77.71 (8/1)	70.74 (8/1)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Jan. 21 1976	Jan. 14 1976	Jan. 23 1975
Ind. Ord. yield pc	3.42	3.45	4.79
Ind. Ord p/e ratio	13.53	13.38	7.09
Long-term Govt. Bds. per cent.	5.91	5.92	6.25

TUESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Citicorp	607,200	30½	+⅝
UAL	436,000	26	−1½
Inter. Tel. & Tel.	421,400	27¼	+⅛
Stand. Oil Calif.	384,100	31	+⅞
Coastal States Gas	326,300	10⅛	+⅛
Amer. Tel. & Tel.	294,200	54⅛	−⅛
Gulf Oil	281,600	24¼	+⅛
RCA	252,800	24⅞	−⅞
Searle G. D.	245,700	13⅛	+⅛
Texaco	231,600	26⅝	—

TORONTO

INDUSTRIAL INDEX

Jan. 27	Jan. 26	1975-76 High	1975-76 Low
184.24	183.94	198.50 (15/7)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Jan. 27	Jan. 26	1975-76 High	1975-76 Low
192.81	193.39	205.61 (15/7)	159.03 (2/1)

COMBINED INDEX

Jan. 27	Jan. 26	1975-76 High	1975-76 Low
186.36	186.45	198.00 (12/7)	158.05 (2/1)

JOHANNESBURG

	Jan. 27	Jan. 26	1975-76 High	1975-76 Low
Industrials	216.6	217.6	238.9 (16/7)	183.2 (23/1)
Golds	201.9	203.5	278.1 (2/1)	199.2 (9/12)

(1958=100). Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Jan. 22	Jan. 16	Jan. 8
On Dividends	5.44	5.55	5.64
On Earnings	6.99	7.21	7.20

SYDNEY ALL ORD. INDEX

Jan. 27	Jan. 26	High 1975-6	Low 1975-6
469.30	472.05	472.05 (23/1/76)	289.89 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Jan. 27	Jan. 26	High 1975-6	Low 1975-76
341.45	340.46	341.57 (16/1/76)	268.34 (10/1)

HONG KONG INDEX ⊕

Jan 27	Jan. 26	High 1975-6	Low 1975-6
394.84	397.56	397.56 (26/1/76)	160.42 (8/1)

SINGAPORE INDEX §

Jan. 27	Jan. 26	High 1975-6	Low 1975-6
270.89	268.66	270.89 (27/1/76)	153.26 (8/1)

EUROPE

	Jan. 27	Previous	1975-6 High	1975-6 Low
Belg'm (a)	111.74	112.03	112.03 (26/1/76)	89.07 (2/1)
Denm'k (b)	107.79	107.45	107.79 (27/1/76)	73.06 (13/1)
France (d)	70.3	70.7	72.6 (23/4)	51.70 (2/1)
Germ'y (e)	780.7	779.4	797.6 (6/1/76)	575.5 (2/1)
Holland (f)	100.1	100.5	107.6 (6/6)	83.2 (2/10)
Italy (g)	88.00	87.43	108.66 (21/2)	75.41 (17/10)
Spain (h)	96.28	96.46	110.96 (22/4)	91.85 (19/9)
Sweden (k)	401.98	399.44	409.81 (12/1)	310.56 (9/1)
Switz'r'ld (m)	291.1	291.8	297.7 (26/1/76)	206.5 (2/1)

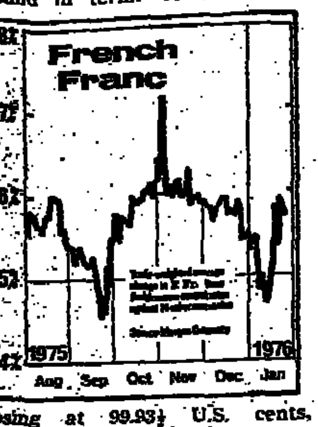
Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ⊕ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

Franc steady

The French franc remained *steady* in the *foreign* exchange market yesterday, following heavy support by the Banque de France *over the last few days.* Speculation against the franc in spot dealings was restricted by a further *sharp upward trend in* French interest rates, with the one-month franc Euro-deposit rate increasing to 10¾ per cent. from 8⅞ per cent. The discount on the forward franc against sterling widened to one cent discount from ½ cent discount in the one-month position, and this compares with 1¼ cent premium for the franc at the end of last week. The current quotation for one-month Euro-sterling is around 10¼ per cent. The French franc *closed* at Frs.4.4845 against the U.S. dollar, compared with Frs.4.48 on Monday. Its trade-*weighted* average appreciation since the Washington Currency Agreement, as calculated by *Morgan Guaranty,* narrowed to 5.71 per cent. from 5.89 per cent.

Sterling gained ground against the U.S. dollar, and traded within a narrow range of $2.0245-2.0270 in quiet dealings. It closed at $2.0260-2.0270, an improvement of 10 points on the day. The pound's trade-weighted average depreciation since the Washington Agreement, as calculated by the Bank of England, was unchanged at 30 per cent., and stood at 30.1 per cent. in early dealings and 30 per cent. at noon.

The Italian lira was also firmer against the dollar, finishing at L728¼ compared with L730¼ on *Monday. Its depreciation on the* Morgan Guaranty basis narrowed to 36.93 per cent. from 37.23 per cent., and the dollar's depreciation *on the same* basis also narrowed to 2.31 per cent. from 2.36 per cent. The Canadian dollar lost *ground in terms* of the dollar, closing at 99.93¼ U.S. cents, against $1.06¼ previously.



Gold improved $1 to $126-127. *The krugerrand's* premium over its gold content narrowed to 4.15 per cent. from 4.58 per cent. in the domestic market, and to 3.16 per cent. from 3.58 per cent. in international dealings.

SPECIAL DRAWING RIGHT RATES

One SDR is equal to	Jan. 27	Jan. 26
Sterling	0.577530	0.577194
U.S. dollar	1.16973	1.16928
Belgian franc	45.9996	45.9459
Deutsche mark	3.04305	3.03989
French franc	5.24536	5.24422
Italian lira	—	—
Japanese yen	354.896	355.344
Dutch guilder	3.12495	3.04095
Swedish krone	—	5.11502

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

Jan. 27	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfu't	—	2.601-602	57.98-58.09	6.61-62	5.26-27	97.33-43	99.94-04
N. York	38.49-51	—	22.24-37	2.5475-560	2.0260-0300	37.47-50	38.49-51
Paris	172.125-825	4.4792-4892	—	11.380-415	9.070-095	167.7-68.1	172.15-55
Brussels	15.10-13	39.31-34	8.76-78	—	79.66-71	14.70-72½	15.09-13
London	5.27-28	2.026-027	9.084-091	79.66-85	—	5.41-42	5.27-28
Am'erdam	102.67-72	2.6702-27	59.58-63	6.7905-55	5.4075-4125	—	102.675-725
Zurich	100.00-10	2.602-603	57.98-58.04	6.614-6200	5.269-273	97.37-44	—

U.S. $ in Montreal U.S. $ = 100.04-06 Canadian cents. Canadian $ in New York $C = 99.94-96 U.S. cents. U.S. $ in Milan closed. Sterling in Milan closed.

EURO-CURRENCY INTEREST RATES*

Jan. 27 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	9⅞-10⅛	4⅝-5⅛	7¼-8¼	1⅛-2⅛	3⅝-3⅞	5⅝-7⅝
7 days notice	10-10¼	4⅞-5¼	8-9	1⅛-2⅛	3⅝-3⅞	5⅝-7⅝
Month	10-10¼	5⅞-5⅝	8-8⅝	4⅝-4⅞	3⅝-3⅞	½-1⅛
Three months	10⅛-11	5¼-5¾	8⅛-8⅝	4⅞-5⅛	3⅞-4⅛	1⅝-1½
Six months	10⅝-11¼	5⅝-6⅛	8⅛-8½	4⅞-5⅛	4⅛-4⅛	2⅛-2⅞
One year	11-11⅛	6⅛-7	8⅝-9¼	5⅜-5⅝	4¾-4⅞	3⅝-5½

Euro-French deposit rates: short term 13-20 per cent.; seven days' notice 13-20 per cent.; one month 10¾-10⅞ per cent.; three months 9¾-9 per cent.; six months 8¾-8¾ per cent.; one year 8¾-9 per cent.

Longer-term Eurodollar deposit: two years 7¼-7⅞ per cent.; three years 8¼-8¾ per cent.; four years 8⅝-8⅞ per cent.; five years 8¾-9 per cent.

The following nominal rates were quoted for London dollar certificates on deposit: one month 5¼-5⅛ per cent.; three months 5⅜-5⅞ per cent.; six months 5 11/16-5 13/16 per cent.; one year 6¼-6⅜ per cent.

* Rates are nominal closing rates.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars and two-days' notice for guilders and Swiss francs.

GOLD MARKET

	Jan. 27, 1976	Jan. 26, 1976
Gold Bullion (a fine ounce):		
Close	$126-127	$125-126
Opening	$125½-126½	$126¾-127¾
Morning fix'g	$126.40 (£62.392)	$126.55 (£62.481)
Afternoon fix'g	$126.25 (£62.315)	$125.65 (£62.007)
Gold Coins (domestic'ly):		
Krugerrand	$130¾-132¾ (£64½-65½)	$130¼-132¼ (£64¼-65¼)
New Sov'r'gns	$39½-41½ (£19½-20½)	$39½-41½ (£19½-20½)
Old Sov'r'gns	$39½-41½ (£19½-20½)	$39½-41½ (£19½-20½)
Gold Coins (Intern'ly):		
Krugerrand	$129½-131½ (£64-65)	$129-131 (£63¾-64¾)
New Sov'r'gns	$39½-40½ (£19½-20)	$39½-40½ (£19½-20)
Old Sov'r'gns	$39½-40½ (£19½-20)	$39½-40½ (£19½-20)
$20 Eagles	$208-211	$207-210
$10 Eagles	$103-106	$103-106
$5 Eagles	$64-67	$65-68

FOREIGN EXCHANGES

Jan. 27 1976	Bank Rate %	Day's Spread	Close
New York	6½	2.0245-2.0270	2.0260-2.0270
Montreal	9	2.0235-2.0280	2.0270-2.0280
Amsterdam	4½	5.40-5.42½	5.41-5.42
Brussels	†6	79.50-79.90	79.65-79.85
Copenh'gen	7½	12.47-12.50	12.48-12.49
Frankfurt	3½	5.25½-5.28½	5.27-5.28
Lisbon	6½	55.15-55.55	55.30-55.50
Madrid	†7	121.00-121.40	121.15-121.35
Milan	8	1,475-1,480	1,475-1,478
Oslo	6	11.23½-11.26½	11.25½-11.26½
Paris	8	9.06-9.09½	9.08½-9.09½
Stockholm	6	8.85-8.88½	8.87-8.88
Tokyo	6½	612-620	615-617
Vienna	6	37.10-37.50	37.20-37.40
Zurich	2½	5.25½-5.28½	5.27-5.28

† Basic discounts. ‡ Given rates are for convertible franc: closing financial franc 81.20-81.45.

OTHER MARKETS

		¶Notes Rates	
Argentina	♦127.66-.86	Argentina	260-290
Australia	1.6016-1.6178	Austria	36½-38
Brazil	18.57-18.77	Belgium	80-82
Finland	7.77½-7.78½	Brazil	22-25
Greece	70.675-72.410	Canada	2.02-2.05
H'ngKong	10.15-10.1675	Denmark	12.40-.60
Iran	139-141	France	9.00-9.25
Kuwait	0.588-0.598	Germany	5.20-5.35
Luxemb'g	79.65-79.85	Greece	75-80
Malaysia	5.2136-5.2255	Italy	15.85-16.4
N. Zealand	1.8610-1.8472	Japan	6.10-6.40
Saudi Arb	7.08-7.19	Netherl'ds	5.30-5.50
Singapore	5.0275-5.0385	Norway	11.15-.35
S. Africa	1.7621-1.7697	Portugal	59-75
U.S. —		Spain	119-124
Canada		Switz'land	5.20-5.40
C$ —		U.S.	2.02-2.04
U.S. cents	99.92-99.95	Yugoslav'ia	35-40

¶ Based on rates quoted by specialist dealers. ♦ Rate given is the financial rate. Special financial rate 121.50-121.70.

FORWARD RATES

	One month	Three months
New York	0.85-0.75 c. pm	2.60-2.50 c. pm
Montreal	0.20-0.10 c. pm	0.75-0.65 c. pm
Amst'dam	2¼-1¼ c. pm	8-7 c. pm
Brussels	30-10 c. pm	90-70 c. pm
Cop'nhg'n	6-4 ore pm	12-10 ore pm
Frankfurt	3⅜-2⅜ pf. pm	8½-6½ pf pm
Lisbon	par-100 c. dis	par-150 c. dis
Madrid	20-70 c. dis	90-130 c. dis
Milan	lire pm-3 lire dis	3 lire pm-2 dis
Oslo	6½-4½ ore pm	16-14 ore pm
Paris	½-1½ c. dis	3¼-2¼ c. pm
Stockh'lm	2⅝-1⅝ ore pm	7-6 ore pm
Vienna	40-15 gro pm	70-40 gro pm
Zurich	4¾-3¾ c. pm	12½-11½ c pm

Six-month forward U.S. dollar 4.60-4.50c pm and 12-month 8.20-8.10c pm.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—114% (same)

NEW YORK

Stock	Jan. 27	Jan. 26
Corning Glass	54	53½
CPC Int'nation'l	48¼	48½
Johns Manville	26⅝	26½
Johnson Johnson	91½	91
Johnson Control	14¼	14⅛
Joy Manufactur'g	37⅝	39⅛
Kaiser Alumin'm	28⅛	28⅞
Reading	1⅞	1⅞
Republic Steel	32	32⅝
Revlon	78⅞	79
Reynolds Metals	31⅞	31¼
Reynolds R. J.	63⅝	64⅛
Rich'son Merrell	22⅛	23⅛
Zenith Radio	28	27¾
Chile 3% 1993	†87	87⅛
Peru 5% 1993	†95	†95
U.S. Treas 6% 1974	†99¾	†99¾
U.S. Treas 4% 1980	†89	†89.00
U.S. Treas 4¼% 75/85	†80⅞	†80⅞

GERMANY ♦

Jan. 27	Prices Dm.	+ or —	Div. %	Yld. %
A.E.G.	96.3	+0.2	—	—
Allianz Versich.	425	+2	±17	2.0
B.M.W.	268.5	−1	14	2.6
BASF	161.2	+0.9	17	—
Bayer	132.2	+0.2	17	6.0
Bayer Hypo	325		18	2.8
Bayer Vereinsbk.	328	−1	18	2.6
Commerzbank	208.5	−0.5	±18	4.3
Contl. Gummi	102	+0.2	—	—
Daimler	349.8	+0.8	15	2.1
Degussa	241	+1	18	3.7
Demag	185	−2	—	—
Deutsche Bank	329.2	−0.4	20	3.0

MILAN

Jan. 27	Price Lire	+ or —	Div. Lire	Yld. %
Alitalia Priv.	850	−50	—	—
ANIC	852	+10	60	2.5
Ausonia Fin.	4,720	+130	130	2.8
Bastogi	1,255	+24	70	5.8
Breda	2,540	−20	165	6.0
Burgo	11,190	+90	200	1.8
Cantoni	7,650	+20	200	2.6
CIGA	1,508	+88	—	—
Cucirini	4,846	+20	250	5.1
Dalmine	489		50	1.0
Erba	2,510	−89	—	—
Fiat	1,635	+44	100	6.1
Do. Priv.	1,138	+27	100	0.9
Finsider	283.25	+3.75	40	14.3

AUSTRALIA

Jan. 27	Aust. $	+ or —
Acrow Australia	†0.85	
Adelaide Brighton Cent 50c	†1.20	+0.07
Allied Mnlg. Tdg. Indus. $1	†2.05	−0.07
Ampol Exploration	†1.10	−0.05
Ampol Petroleum	†0.68	
Assoc. Minerals	†2.90	
Assoc. Pulp Paper $1	†1.12	+0.02
Aust. Cons. Industries	†1.62	
Aust. Foundation Invest.	†1.08	+0.03
A.N.I.	†1.24	+0.02
Aust. Oil & Gas	†0.16	
Blue Metal Ind.	†1.20	−0.04
Bougainville Copper	†1.07	−0.07
Broken Hill Proprietary	†6.94	+0.04

JOHANNESBURG

Jan. 27	Rand	+ or —
MINES		
Anglo American Corpn.	4.15	−0.05
Charter Consolidated	3.30	
East Driefontein	10.10	
Elsburg	2.05	
Harmony	5.10	−0.10
Kinross	5.00	−0.25
Kloof	7.50	−0.20
Potgietersrust Platinum	2.25	−0.05
St. Helena	†24.50	−0.25
Southvaal	†7.00	
Gold Fields SA	24.25	
Union Corporation	5.20	
De Beers Deferred	3.97	−0.03
Blyvooruitzicht	7.30	−0.10
East Rand Pty.	5.60	−0.10
Free State Geduld	25.00	+0.25
President Brand	†20.50	−0.15

CANADA — PARIS — AMSTERDAM — BRUSSELS/LUXEMBOURG — SWITZERLAND — TOKYO — STOCKHOLM — COPENHAGEN — VIENNA — OSLO — SPAIN ♥

Source: Nikko Securities Tokyo.

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax. ♦ DM50 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated. ♣ Kr.100 denom. unless otherwise stated. ‡ Frs.500 denom. unless otherwise stated. ¥ Yen 50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per Share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. w Merger pending. * Asked. † Bid. ‡ Traded. ‡ Seller. x Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ∆ Interim since increased.

a Asked. ‡ Assented. † Bid. ‡ Traded. n New stock.

هكذا صار الأمل

FARMING AND RAW MATERIALS

Machinery exports hit new peak

By Richard Mooney

BRITAIN'S RECORD agricultural machinery exports last year boosted the country's trade surplus in this sphere by 53.8 per cent., to £447.6m., the Agricultural Engineers' Association said yesterday.

A 50 per cent. rise in overseas sales, to £628.1m., meant that the industry had beaten its own £500m. export target for 1975 by more than £100m. At the same time, however, imports rose by 41 per cent. to £180.5m.

The rise in exports is mainly attributed to sales of tractors and engines for tractors and combines, which rose by 68 per cent. and 65 per cent. respectively.

These two items were largely responsible also for the increased rate of imports, with respective rises of 120 per cent. and 140 per cent.

Japan still seeking sugar shipment delay

TOKYO, Jan. 27.

THE JAPANESE sugar industry *will hold further talks with* Australia's CSR company in Tokyo next month on a delay in shipments of Australian raw sugar to Japan under a long-term sugar import agreement. Mr. Nobuo Imamura, director of the Foodstuff *Marketing Bureau said* here.

This follows talks in Sydney last week, at which a Japanese mission failed to reach an agreement with the Australians.

Mr. Imamura said the Japanese mission had requested that shipments of 160,000 of the 384,000 tonnes of raw sugar scheduled to be shipped to Japan in the *January-June period of 1976* be deferred to January-June next year. But CSR had said it could not agree to change the contract.

Under the long-term arrangement signed in December, 1974, Japan is scheduled to import 600,000 *tonnes of Australian raw* sugar annually over a period of five years, starting July last year, at a fixed price of £228.8 a tonne. Reuter

JAVA PRODUCING KAPOK SEED OIL

JAKARTA, Jan. 27.

Central Java had started producing kapok seed oil for home consumption and export, Antara News Agency said here.

Two factories in Semarang are reported to have started producing oil after the Government recently banned the export of kapok seeds. The province produced 9,000 tonnes of kapok seeds a year, the Agency said. Reuter

U.K. potato stocks down to one third of normal

BY PETER BULLEN

POTATO STOCKS left on British farms were down to about a third of the usual level for this time of the year, the Potato Marketing Board said yesterday.

Only 675,000 tons remained, following the disastrous drop in production last autumn caused by the wet spring, the long, dry summer and the *drop in* acreage grown.

With consumption running at around 50,000 tons a week, supply of home-grown potatoes would be used up by the end of April. The PMB expects part of *the shortfall to be* made up by imports, probably from Holland.

But the shortage of potatoes was not confined to Britain and there would be considerable competition for supplies.

Little easing in the situation may be expected until the new crop imports begin followed by home-grown earlies. Consequently prices were unlikely *to ease from their present high* levels of around 12p a pound.

So far the Government has resisted any attempts to impose artificial controls on potato prices, pointing to the supply difficulties and *black marketeering* that occurred in Belgium when a maximum price was imposed recently.

However, Mr. William Hamilton, Labour MP for Central Fife, said yesterday that *he wanted the Government to* find out why potato prices double between the farm and the housewife's basket.

Middlemen

"The middlemen must be making a considerable rake off," he claimed. "Farmers probably do not get fair returns for their potatoes, the consumer gets a raw deal and in between other people are getting the rake off."

He is to ask Mrs. Shirley Williams, Prices Secretary in the Commons next week to launch an inquiry into the reasons for the price difference.

● Britain's consumers are to get a chance to air their feelings about the quality, supply—and most important of all, the price *—of potatoes.*

The Consumers' Committee for Great Britain, set up under the Agricultural Marketing Act 1958, announced yesterday that it was holding one of its periodic reviews of the effect on consumers *of the Potato Marketing Scheme.*

Dr. Janet Cockcroft, committee chairman, stressed that it had been decided last September to hold the review, but the present publicity surrounding Britain's scarce and dear potatoes could *only help to stimulate response* to the questionnaires being sent out to consumer, producer and trade organisations all over the country.

The views of individual housewives, or husbands, were also welcome, Dr. Cockcroft said.

Among the questions the committee has listed are several dealing with quality and varie*ties; processed potato products* and their popularity; and the Potato Marketing Board and its work.

Dairy herds expanding again

BY OUR COMMODITIES STAFF

A DRAMATIC revival in the morale of Britain's milk producers is shown by the rise in artificial insemination in dairy herds in the final quarter of 1975.

Milk Marketing Board figures released yesterday show that *dairy inseminations reached* nearly 323,000 in the three months to the end of December —more than 10 per cent. up on inseminations during the corresponding period of 1974.

This increase occurred despite the 160,000 fall in dairy cow numbers over the year. Reasons for the change from the mood of despondency and contraction in the industry to one of optimism and expansion are not altogether clear.

Increases in producer prices last autumn and the promise of more this spring had some effect, but extremely kind autumn and early winter weather—which has probably averted another fodder crisis—was possibly the biggest factor.

One other reason put forward by the MMB for the rise in AI in dairy herds was the introduction by ICI in November of its prostaglandin-analogue, which helps the farmer to control the breeding pattern of his heifers and cows.

The rapid and marked effect of the new product on the industry did not surprise ICI however. "We thought this had enormous potential," said a spokesman last night.

Robin Reeves writes from Brussels: European Commission officials yesterday rebutted sug*gestions that the Commission* had sanctioned a special export deal with the Soviet Union to reduce the Community's 1.14m. tonnes surplus skim milk powder "mountain."

Skim milk

A spokesman confirmed that the milk market management committee had recommended an increased export subsidy to encourage the shipment of surplus *skim milk for animal feed.*

If approved, supplies at the specifically subsidised price would be available to all countries guaranteeing its use in animal feed, not just the Soviet Union. Trade sources say Russia *is not interested in more than* 20,000 tonnes.

Part of the proposal arises *from a Council of Agricultural* Ministers decision to dispose of 80,000 *tonnes of surplus skim* milk powder, accumulated in 1973: half would be used internally as animal feed and half on the world market.

Disposal inside the EEC has taken the form of purchase tenders. So far, some 4,000 tonnes of the *1973 stock* has been sold for calf feed at 80 Units of Account per 100 kilos, and *another 3,000-4,000 tonnes for* pigs and poultry feed at 16 UA

For the 40,000 tonnes to be sold externally, the proposal is to reduce the selling price from intervention by 5 UA, to 83 UA per 100 kilos.

per 100 kilos, and offer an export subsidy of 56 UA—8 more than the normal export rebate available for skim shipped for human consumption.

This rebate will not be paid, however, unless the skim is either denatured or the Commission receives a firm written guarantee from the purchasing country that it will be used for ani*mal feed and not reexported.*

The management committee is recommending also that the same export rebate be made available, subject to the conditions for skim milk powder presently available on the free market, but *not for intervention stocks.*

Sharp rises in cocoa and coffee

COCOA AND *coffee prices* moved up sharply on the London terminal market yesterday in response to chart and technical factors.

May cocoa gained £27, to £730.25 a tonne, while March coffee ended its six-day decline with a £28.5 rise, to £844 a tonne.

Cocoa opened strongly in line with the overnight tone in New York, and moved up steadily, reaching the £20 limit *in mid-afternoon.* Prices advanced further when trading resumed, nearby positions closing near the day's highs.

Dealers said technical tightness of supplies for nearby delivery was partly responsible *for the rises in both London* and New York. Chartist considerations were a further "bullish" influence.

After opening firm, coffee values also rallied strongly in the afternoon. Trade and commission house sources attributed the rise to the end of the technical decline from recent peaks.

The passing of the £820 a tonne point—generally considered a psychological barrier —was thought to have encouraged further speculative buying.

Higher oilseed output forecast

WASHINGTON, Jan. 27.

WORLD PRODUCTION of oilseeds and meal will climb in 1976 to a soyabean meal equivalent basis of 70.35m. tonnes, *7.88m. up on 1975,* says the U.S. Agriculture Department's Foreign Agricultural Service.

Of estimated world output—which included soyabean, fish groundnut, sunflower, cottonseed, linseed, rapeseed, copra and palm *kernel meals—U.S. output is* estimated at 33.10m. tonnes, against 27.41m. in 1975. Reuter.

LEAD ORDERS WORRY JAPAN

TOKYO, Jan. 27.

JAPANESE LEAD smelters are finding it difficult to meet Soviet *orders after good sales to the* Japanese motor industry, lead industry sources said here.

Seven smelters, including Mitsui Mining and Smelting, Mitsubishi Metal Corp. and Toho Zinc, have contracted to sell the *Soviet Union 2,000 tonnes of* lead ingots for February shipment.

The USSR wants to buy more and lead smelters are easing production cuts from 25 per cent. introduced a year ago, to 15 per cent. Reuter

BANGLADESH JUTE

New technology boosts yields

BY KEVIN RAFFERTY, ASIA CORRESPONDENT

BANGLADESH is reporting some good news concerning its major export earner, jute, for the first time in years. Yields per acre from the crop now being harvested are as much as 60 per cent. higher than normal.

Experts in the Jute Ministry say that the better yields have not been achieved in the laboratory, but in the fields.

This year's crop is expected to be 4.5m. bales, a significant improvement on last year's 3.9m., though still a long way less than the crops of up to 7m. bales achieved in the days when Bangladesh was East Pakistan.

The officials say, however, that they are reasonably satisfied because there is a stock carry-over of 1.9m. bales, which will bring the effective crop this year to more than 6m. bales.

One significant factor in the past two years is that jute acreage has fallen from the traditional 2.4m. acres to about half that area. The officials say that Bangladesh and its jute can cope on the smaller acreage, if yields can be pushed up.

In experimental projects this year yields already have been pushed up. Traditionally—using the old seeds and the old methods—jute has yielded three bales an acre; but by using the *new technology five* bales an acre are possible.

On an experimental 300,000 acres this year, yields of 4.5 bales an acre have been the average. Next year the jute ministry plans to plant 500,000 acres using the new technology.

The new technology seems relatively simple. It involves *the use of improved varieties* of seed and fertiliser, and good agricultural practices like sowing in line, instead of broadcasting.

In a poor and traditional society like Bangladesh, however, *such a simple regime* presents numerous difficulties—*especially* financial ones. Peasant farmers cannot afford to pay for the new technology.

To help them out, the Government has provided a technician for each 200 acres to explain how the new jute farming works. *Equally important, it is* helping with credit.

Each acre of new jute needs about 225 lbs of fertiliser and just over 8 lbs. of new seed.

Seed for the improved varieties costs 30 taka (about £1) at the *market price, much higher than* the trifling cost of the traditional seed. So the Government is selling the improved seed at 12 taka for an acre. It is also making credit available at low interest rates for half of the 150 taka *cost of providing* fertiliser.

Whole future

As in other types of improved farming, regular doses of fertilisers are essential if the new jute technology and improved yields are to be achieved. The Bengali farmer can no longer rely on his traditional methods of putting on cow manure or nothing.

Much more is at stake in the new jute technology trials than the welfare and prosperity of individual farmers—though that is important enough because the farmers are poor and have little other livelihood. But the whole future of Bangladesh and its economic viability and ability to feed itself is involved.

Jute and rice are the mainstays of the Bangladesh economy. Rice provides the staple food, but Bangladesh is unable to grow enough itself and has to import.

Sales of jute and jute goods provide 80 per cent. of the country's foreign exchange earnings; hard as experts have tried, they have been unable to find an alternative earner to jute. However, in the four years since *Bangladesh was created, Jute has* had a hard time.

The world jute market has steadily dropped under pressure from synthetic substitutes which can be produced more quickly, more reliably and nearer to the major U.S. and European markets.

The Bangladesh jute industry has also had other blows to contend with. Immediately after liberation, sowing, harvesting and milling was upset by the devastation and confusion of the liberation war.

Even under the new National Government, there were additional problems of disrupted transportation and shipping which took a long time to overcome, and of new men in power and a new set of arrangements *for the infant nationalised in*dustry.

As a result of all this, foreign buyers complained that the quality of the jute was variable; they were lucky to get their shipments on time.

By last year, things had improved but were still not back to the standards of the last days of the former Pakistan administration. Then came new blows. There was the world recession.

But at home, too, jute was suf*fering from competition* from rice. Bangladesh is a small country, in which there are nearly 80m. hungry people, and jute has to compete with the summer rice crop for scarce land.

Last year the rice price had soared, while that for jute stayed low; a large number of farmers who might have planted jute turned to rice.

Some foreign experts applauded and said Bangladesh did right *to achieve food self-sufficiency* first. But these arguments ignored the question of where Bangladesh would find its foreign exchange to pay for a whole host of imports, including fertiliser for improved rice *crops, clothing, medicine* and machinery.

Wool demand will dictate floor price

WOOL'S CURRENT and likely future marketing circumstances must be the Australian Wool Corporation's overriding consideration in making floor price recommendations for next season, according to Mr. A. C. B. Maiden, the AWC chairman.

"But we must also take into consideration the woolgrower's financial situation, especially *insofar as this will have a bear*ing on future production and, therefore, supply," he says. Mr. Maiden's remarks are contained in an address to be delivered at the half-yearly meeting of the International Wool Textile *Organisation in Paris* this week.

The most serious single problem facing the wool-producing industry in Australia was that of *rapidly rising costs. The grower* was having to cope with the effects of inflation on his domestic cost structure. Reuter

Wool growers in Australia were seeking negotiations for a higher floor price, even if this meant bigger market support contributions by them, Mr. Maiden said.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Firmer for the first time in six trading days on the London Metal Exchange. Prices opened at overnight levels despite the lower trend in U.S. markets. Forward metal traded at £595 in the first Ring reflecting local and Continental demand but then tended to ease on the Kerb on selling in anticipation of a lower opening on Comex. The New York market, however, opened higher and prices gained ground owing to influential buying with forward metal trading at £598½ on the afternoon Kerb. Turnover, 20,125 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £576, three months £596, 95.50, 95, 95.50. Cathodes: Cash £564.50, 65, three months £583.50, 84.50. Kerb: Wirebars: Three months £595.50, 95, 94.50, 94, 93.50. Cathodes untraded. Afternoon: Cash wirebars £576, three months £595, 96, 95.50, 96. Cathodes untraded. Kerb: Wirebars: Three months £597.50, 98, 98.50, 98, 97.50, 97, 97.50, 98. Cathodes untraded.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	576-.5	—.5	576.5-7	+2
3 months	595-.5	—5.5	595.5-6	+1.5
Settlem'nt	576.5	—5	—	.....
Cathodes				
Cash	564.5-5	—6.5	565-6	+1.25
3 months	584-.5	—5	584.5	+2
Settlem'nt	565	—6.5	—	.....
U.S. Smt.	—	.....	*63-68.7	.....

TIN—Gained ground reflecting the rise in the Penang price, overnight U.S. demand and Continental buying. Hedge selling was met by bear covering in morning dealings and prices rose further in the afternoon with forward Standard metal trading at £3,141 on the Kerb. Turnover, 455 tonnes.

Morning: Standard: Cash £3,068, three months £3,135, 37. High grade: Cash £3,073, three months untraded. Kerb: Standard: Three months £3,138. High grade untraded. Afternoon: Standard: Cash £3,073, late-Feb. £3,100, three months £3,139, 40, 42. High grade untraded. Kerb: Standard: Three months £3,141. High grade untraded.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade £				
Cash	3073.5	[illegible]	[illegible]	[illegible]
3 months	3146.5	[illegible]	[illegible]	[illegible]
S'ment	3075	[illegible]	[illegible]	[illegible]
Standard				
Cash	3067.9	[illegible]	[illegible]	[illegible]
3 months	3135-	[illegible]	[illegible]	[illegible]
S'ment	3069	[illegible]	[illegible]	[illegible]
Straits E.	[illegible]	[illegible]	[illegible]	[illegible]
New York	—	[illegible]	[illegible]	[illegible]

LEAD—Marginally [illegible] trade buying and [illegible] Continent. Turnover [illegible]

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£			
Cash	164-.5	[illegible]	[illegible]	[illegible]
3 months	170.75-1	[illegible]	[illegible]	[illegible]
S'ment	164.5	[illegible]	[illegible]	[illegible]
N.Y. Spot	—	[illegible]	[illegible]	[illegible]

Morning: Cash £171, 71.50, 71. [illegible] months £171. Afternoon: [illegible] Three months £172 [illegible] £171, 71.25, 71.

ZINC—Lost ground owing to heavy hedge selling and [illegible] were partly stemmed by [illegible] believed to be on behalf of producers. Turnover, 2,550 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£			
Cash	339.5-	[illegible]	[illegible]	[illegible]
3 months	349-.5	[illegible]	[illegible]	[illegible]
S'ment	339.75	[illegible]	[illegible]	[illegible]
Prm. West	—	[illegible]	[illegible]	[illegible]

Morning: Cash [illegible] Feb. £340.50, three [illegible] Kerb: Three months [illegible] Cash untraded. [illegible] Kerb: Three months [illegible]

* Cents per pound. † On previous unofficial close. [illegible]

SILVER

Silver was fixed [illegible] delivery in the London bullion market yesterday at 192.35p. [illegible] of the fixing levels [illegible] down 0.2c; three-month [illegible] six-month 400.7c, [illegible] [illegible] down 0.5c. [illegible] [illegible]

COFFEE

[illegible]

RUBBER

SLIGHTLY STEADIER [illegible]

COCOA

[illegible]

FREIGHTS

[illegible]

SUGAR

LONDON DAILY PRICE (raw sugar) [illegible]

WOOL FUTURES

[illegible]

SOYABEAN MEAL

[illegible]

GRAINS

THE BALTIC—[illegible]

African White March £66.50 sellers Glasgow.

Barley—EEC feed Jan. £65.25, Feb. £65.75 transhipment East Coast. Rest unquoted.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, steady. Close: March 64.25, May 66.15, Sept. 65.20, Nov. 67.25. Business: March 64.40-64.05, May 66.30-66.00, Sept. 65.40-65.10, Nov. 67.30-67.15. [illegible]

MEAT/VEGETABLES

SMITHFIELD (pence per pound)—[illegible] 30.0 to 35.0, 160-180 lbs 28.5 to 32.0, 180 lbs and over 28. to 31.

MEAT COMMISSION—Average fatstock prices at representative markets on Jan. 27: U.K.—Cattle £23.96 per live cwt. (+0.33); Sheep 42.2p per pound e.d.c.w. (+2.0); Pigs £4.79 per sc.l.w. (—0.01). England and Wales—Cattle numbers up 3.2 per cent., average price £23.96 (+0.41); [illegible]

COVENT GARDEN (prices in sterling) [illegible]

JUTE

DUNDEE—[illegible]

CALCUTTA—[illegible] Bangladesh White C grade Feb.- [illegible] Spot Rs.485.00 [illegible]

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 694 tonnes, bringing the total for the week so far to [illegible] [illegible]

[illegible]

PRICE CHANGES

Prices per ton unless otherwise stated.

	Jan. 27 1976	+ or —	Month ago
Metals			
Aluminium(a)	£420	....	£420
Free Market (cif)	£540-550	....	£555-545
Copper			
Cash Wire Bars (a)	£576.75	+2.0	£577.5
3 months do. do.(a)	£595.75	+1.5	£598.25
Cash Cathode (a)	£565.5	+1.25	£565
3 months do. (a)	£584.5	+2.0	£585.5
Gold ....Troy oz.	$126.5	+1.0	$141
Lead Cash (a)	£164.125	+0.875	£165.75
3 months (a)	£170.875	+0.75	£175.5
Nickel (a)	£2,421	....	£2,415
Free Market(cif)(lb)	$1.9-2.05	....	$1.9-2.05
Platinum (b)troy oz.	£78½-81½	....	£78½-81½
Free Market	£59.1	+0.5	£72.15
Quicksilver(76lb)(c)	$86-92	....	$75.80
Silver Troy oz.	192.55p	....	206.45p
3 months	197.15p	+0.15	212.45p
Tin Cash (a) £	£3,078	—18.0	£3,060.5
3 months (a)	£3,142	+10.5	£3,114.5
Wolfram 22.04lb. cif	£44-45	....	£42-44
Zinc Cash (a) £	£339.125	—1.125	£341.5
3 months (a)	£349.25	—1.875	£355.75
Producers	$795	....	$795
Oils			
Coconut Malayan	‡	....	
Groundnut			
Fish	£402	....	£372
Linseed Crude (a)	£382	....	
Palm Malayan (a)	£175	....	
Soyabean (a)	‡	....	
Seeds			
Copra Philipp ton	$200	....	$207.5
G'nuts Nigerian			
Linseed Can No. 1	£155	....	£149.5
Grains			
Barley EEC	£66.25		
Home Futures	£63.25	+0.15	£62.4
Maize			
French No. 3 Am.	£65.75	....	£65.5
S.A. Yellow	‡	....	£67.25
Wheat			
No. 1 Red Spring	‡	....	
No. 2 Hard Winter	‡	....	
Australian f.a.q.	‡	....	
English Milling	£66.25	....	£65.5
Cocoa Shipment (a)	£769.5	+27.0	£745.5
Futures May	£730.25	+27.0	£724
Coffee Shipment (c)	76	....	
Futures Mar. (a)	£844	+28.4	£793.5
Cotton 'A' Index cent	65.7	....	61.8
Jute LJABWC (d)	£195.5	+0.5	£195
Rubber ....kilo	37.75p	+0.25	37.5p
Sisal EASL (a)	$600*	....	$600*
Sugar (Raw)	£160	....	£158
Wooltops 64s....kilo	217p	....	210p
Cloves (Madagascar)	£2,550	....	£2,480
Pepper White...ton	£960	....	£935
Black...ton	£770	....	£750

* Nominal. † Seller. § Unofficial close & indicative price. b U.K. and Commonwealth refined. c Uganda Robusta standard grade indicative prices f.o.b. Mombasa U.S. cents a pound. d Bangladesh white "C." ‡ Unquoted. a Seller's quotation. h Jan.-March. u Metric tons. r Sept.

FINANCIAL TIMES

Jan. 27	Jan. 26	Month ago	Year ago
174.66	172.82	172.62	179.25

(Base: July 1, 1952=100)

REUTER'S

Jan. 27	Jan. 26	Month ago	Year ago
1190.4	1196.4	1171.8	1106.1

(Base: Sept. 18, 1931=100)

DOW JONES

Dow Jones	Jan. 27	Jan. 26	Month Ago	Year ago
Spot	297.13	294.00	294.95	355.77
Futures	290.40	287.16	283.73	325.93

(Average 1924-25-26=100)

MOODY'S

Moody's	Jan. 27	Jan. 26	Month ago	Year ago
Staple Commdty	755.9	756.8	750.2	781.0

(Dec. 31, 1931=100)

U.S. Markets

Grains reverse limit falls

NEW YORK, Jan. 27

PRECIOUS metal and copper futures closed higher on light Commission House buying and shortcovering. Cocoa and Coffee scored limit advances and speculative and trade buying, while sympathy Commission House buying lent support to Sugar futures. Reversing yesterday's limit declines, grain futures closed higher on speculative buying and shortcovering, Bache reports.

Cocoa—Ghana spot 73½ nom. (74 nom.). Bahia spot 72 nom. (71 nom.). March 67.25 (65.35), May 64.28 (62.28), July 62.48, Sept. 60.65, Dec. 58.05, March 56.55, May 55.55. Sales: 1,745.

Coffee—Contract: March 93.75 bid (91.75), May 93.33 bid (91.53), July 93.25 bid, Sept. 93.20 bid, Dec. 92.10 bid. Sales: 300.

Copper—Jan. 54.00 (53.40), Feb. 54.00 (53.40 settlements), March 54.40, May 55.20, July 56.10 settlements. Sales: 2,371.

Cotton—March 59.75-59.85 (59.56), May 60.25-61.00 (60.37), July 61.55, Oct. 59.95-60.05, Dec. 57.82, March 58.42-58.60, May 58.52 bid, July 58.62 bid. Sales: 3,250.

♠Gold—Jan. 125.90 (125.40), Feb. 125.90 (125.50), March 126.40, April 127.00, June 128.10, Aug. 129.20, Oct. 130.30, Dec. 131.50, Feb. 132.60, April 133.80. Sales: 1,317.

Greasewool—Spot 167.5 nom. (same). March 167.5-170.0 (163.5), May 164.5-168.0 (163.0), July 161.5-165.0, Oct. 161.5-165.0, Dec. 161.5-165.0, March 161.5-165.0, May 161.5-165.0.

†Lard—Chicago loose 17 (17 nom.).

††Maize—March 261½-262 (261½), May 267½-267½ (267½), July 271-271½, Sept. 267, Dec. 262½-263, March 269.

‡Platinum—April 141.40 (140.80), July 143.70 (142.90), Oct. 146.30, Jan. 149.30-149.50, April 152.30-152.50. Sales: 25.

‡‡Silver—Spot 390.20 (381.50), Jan. 389.00 (383.40), Feb. 389.00 (383.40), March 391.00, May 395.80, July 401.00, Sept. 406.50, Dec. 415.00, Jan. 417.80, March 423.50, May 429.20. Sales: 13,490.

*Soyabeans—March 458-458 (456), May 466½-467½ (465½), July 474½-474, Aug. 477½, Sept. 483-482, Nov. 489-488, Jan. 495.

‖Soyabean Meal—March 129.00 (128.00), May 132.50-133.00 (131.30), July 135.20, Aug. 136.00-136.50, Sept. 137.20, Oct. 137.50-138.00, Dec. 140.00-140.50.

Soyabean Oil—March 15.35-15.40 (14.95), May 15.55-15.50 (15.15), July 15.50, Aug. 15.83, Sept. 15.90, Oct. 15.95, Dec. 16.10-16.05.

Sugar—Spot 13.75 (13.85), March 13.70-13.73 (13.57), May 13.68-13.70 (13.58), July 13.64-13.70, Sept. 13.65, Oct. 13.68, Jan. 13.65 nom., March 13.67-13.69, May 13.66. Sales: 4,615.

Tin—287.00 asked (287.00-311.00 asked).

**Wheat—March [illegible] (341), May 340-346 (340), July [illegible] Dec. 363½ [illegible]

WINNIPEG, Jan. 27. ¶Rye—May 264 bid (259 asked), July 264 bid (258 asked), Oct. 2265 [illegible]

cOats—May 161 (155½), July 150 bid (155½), Oct. 151 nom.

§Barley—May [illegible] bid (250), [illegible]

‖Flaxseed—May 664 bid (659 bid), July 662 bid (660 asked), Oct. 653 bid.

Wheat—SCWRS 13.5 per cent. protein content St. Lawrence 467½ (465½).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. ‡ $ per troy ounce—100 ounce lots. ‡ Chicago loose $'s per 100 lbs —Dept. of Ag. prices previous day. Prime steam f.o.b. NY bulk tank cars. ‡ Cents per troy ounce ex-warehouse. ‖ New "B" contract in $'s a short ton for bulk lots of 100 short tons delivered f.o.b. cars Chicago, Toledo, St. Louis and Alton. † $'s per troy ounce for 50-ounce units of 99.9 per cent. purity delivered NY. ¶ Cents per 60-lb bushel in store. ‡ Cents per 24-lb bushel. ‖ Cents per 48-lb bushel ex-warehouse. § Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots.

COMPANY NOTICES

STOCK EXCHANGE REPORT

Gilt-edged and equities turn easier in quiet trading

Share index down 4.6 at 399.5—Golds steadier

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Jan. 12	Jan. 22	Jan. 23	Feb. 3
Jan. 26	Feb. 5	Feb. 6	Feb. 17
Feb. 9	Feb. 19	Feb. 20	Mar. 2

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

The Stock Market lost much of its recent exuberance yesterday. Gilt-edged securities took on a distinctly dull appearance at the longer end of the market after the sharp advance in this area over the previous two trading days. Selling pressure was by no means heavy, but sufficient to leave closing falls ranging to ½. A broker's circular forecasting an upturn in long-term interest rates did not help sentiment, but the reaction was largely technical awaiting the outcome of the unemployment debate. In contrast, short-dated issues continued firmly, with the emphasis on low coupon stocks. However, an easier trend developed in the late dealings and most shorts were only a fraction harder on balance. The Government Securities index eased 0.22 to 63.61.

After opening a little firmer, leading Industrials took their cue from gilts. Up 1.1 at 10 a.m., the FT 30-share index gradually gave ground to close at the day's lowest with a net fall of 4.6 at 399.5. Here also, selling was relatively modest.

Second-line equities presented a rather mixed appearance, but there were several noteworthy gains in response to favourable trading statements. Rises just had the edge over falls in FT-quoted Industrials, but the FT-Actuaries All-Share index eased 0.4 per cent. to 168.81. A fall off in the level of activity was reflected in official markings of 8,165 compared with 8,813 on Monday.

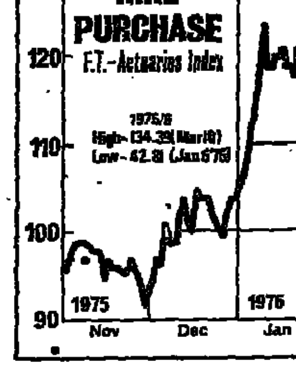
Although the investment currency premium again closed unaltered at 114 per cent., trade was brisker but exceptionally well balanced. Yesterday's SE conversion factor was 0.5997 (0.5992).

Apart from Midland, which hardened 2 to 315p, home Banks drifted gently lower. Barclays ended 3 off at 342p as did Lloyds at 272p, and National Westminster at 285p. Overseas issues fared similarly, with losses of 10 recorded in National Bank of Australasia, 300p, and Standard and Chartered, 485p. Buying on hopes of an early stock exchange quotation for the associated Hambro Life Assurance brought further strength to Hambros in Merchant Banks, which rose 10 more to a 1975/76 high of 220p, making a two-day gain of 18. In sympathy, Hambros Investment Trust "A" shares improved 3 to 76p and the "B" put on 4 to 64p. Further consideration of the reduction in staff left Slater Walker Securities a penny better at 27p, while Manson Finance Trust hardened a penny to 33p ahead of to-morrow's interim results.

Firm at first, Insurances drifted lower as the day progressed to close narrowly mixed. Commercial Union closed only a penny dearer at 155p, after 157p, but Eagle Star ended a penny off at 137p, after 140p.

Afternoon confirmation of the increase in the general export price of its standard brands of scotch whisky by 90p per case failed to prevent a late reaction in Distillers, which fell away from a firm opening of 151p to close 1½ cheaper on the day at 147½p. Teacher (Distillers), on the other hand, hardened 2 to 217p, after 218p, as did Highland to 116p. With the exception of Vaux, which rose 6 to 288p, Breweries drifted lower.

Concrete provided a bright spot in Buildings at 61p, up 6, on the better-than-expected interim figures. After improving to 35p in front of the results, Leyland Paint reacted on the profits setback and dividend omission to close 2 cheaper on balance at 31p, while the poor interim profits left G. R. Francis a penny cheaper at 29p. A. V. Jennings were lowered 7 to 153p, while A. P. Cement, 182, Beaver, 58p, and



Blockleys, 60p, all closed 4 cheaper. In Timbers, Magnet and Southerns declined 5 to 165p.

ICI, at 362p, gave up 3 of the previous day's rise of 4. Elsewhere in Chemicals, Lankro declined 4 to 156p and Fisons retreated 6 to 394p. Hickson and Welch, however, resisted the downward trend, closing 2 harder at 325p on consideration of the chairman's statement. Others to make progress included Alginate Industries and Allied Colloids, both of which closed 3 better at 191p and 110p respectively.

A very quiet day in the Electrical leaders saw prices drift down a little. However, an exception was Reyrolle Parsons, which met further demand and closed 2 higher at 97p, after 98p. Thorn Electrical "A" came back 3 to 240p and GEC 2 to 156p, while losses of 3 occurred in EMI, 242p, and BICC, 127p. The third-quarter results continued to make little impression on Plessey, a penny easier at 76p. There was some profit-taking in Philips' Lamp, which relinquished 20 at 993p. Elsewhere, Chloride closed on a dull note with a reaction of 5 at 103p; it is understood that a parcel of 1.3m. shares have been put through the market. Decca gave up 4 at 274p and the "A" 8 at 260p in a thin market awaiting half-yearly results due February 5. Racal Electronic declined 5 to 241p and Ever Ready 3 to 117p, but Dorman Smith "A," 114p, and United Scientific 93p, improved 4 apiece. Press comment on the interim report left Henry Wigfall 3 better at 200p. Rediffusion hardened similarly to 83p and Telefusion put on 2 to 30p.

Stores had an easier drift. Marks and Spencer lost 3 to 101p. Burton continued to reflect the profits warning, the Ordinary closing 3 off at 57p and the "A" finishing 2 cheaper at 53p. After recent strength, Weston Pharmaceuticals ran into profit-taking and closed 2½ off at 74½p, while Dixon's Photographic were finally 2 easier at 74p. Wearwell receded 3 to 26p, but small buying in a thin market hoisted Allied Retailers 7 to 134p. A. Henriques moved up 4 to 30p, while James Beattie "A," 133p, and Lincroft Kilgour, 41p, put on 3 apiece.

Engineering losses were generally minimal, although the leaders shed early small gains. Hawker closed 4 off at 398p, but GKN ended slightly harder at 290p, after 293p, and Tube Investments unaltered at 340p, after 344p. Davy International replied to the excellent first-half results by rising to 140p before profit-taking cut the gain to only 1 at 135p, while Jevons Cooper celebrated the pending return to the dividend list with an improvement of 1 more to 34p. Ahead of to-day's preliminary figures, Dunford and Elliott rose 1 to 48p, Bullough 3 to 77p and Howard Machinery 1 to 52p. Reflecting the very healthy order-book position, Mather and Platt gained 1 to 54p. Elsewhere, Haden Carrier, 115p, and Matthew Hall, 122p, were both 4 dearer, but Babcock and Wilcox eased 1 to 75p, after 79p. Among smaller-priced issues, John Folkes Hefo advanced 2½ to 23p and Midland Industries 2 to 21p. News of the "rights" issue and dividend forecast saw J. and H. B. Jackson ease ½ to 22½p.

Cavenham returned to popularity in Foods, closing 4 better at 132p, after 136p, following Press comment. However, Tate and Lyle, at 286p, gave up 4 of the previous day's Press inspired rise of 7. After Monday's gain of 3½, RHM were active and a penny cheaper at 50½p. Other casualties included J. Sainsbury, 3 easier at 120p, and Associated Dairies, 4 off at 226p. Supermarkets had an isolated dull spot in Hillards, 3 cheaper at 93p.

Hotels and Caterers spent a quiet session. CCH Investments hardened 2 more to 30p with the help of call option business, while Savoy "A," 29p, and Stanneylands, 26p, put on a penny apiece. After recent strength, Grand Metropolitan eased 2 to 86p.

Rank retreat

Rank Organisation retreated 5 to 175p and the "A" 8 to 160p on the associated Xerox Corporation chairman's warning of a profits slowdown at Xerox in the short term due to the production and marketing costs of the new 9200 copier. Other miscellaneous Industrial leaders also suffered a reaction, mainly reflecting lack of fresh interest, and closed at the day's worst. Beecham led the way with a fall of 10 at 343p, while declines of about 7 were seen in Metal Box, 279p, Glaxo, 380p, and Unilever, 432p. Reed International, however, after easing afresh to 272p, picked up to 277p before closing unaltered on balance at 274p on the third-quarter results which were a little better than expected. Elsewhere, Sandhurst Marketing rose another 6 to a 1975-76 peak of 36p in a thin market ahead of the interim results, due soon. The first-half profits expansion brought an advance of 8 to 93p in Macarthys Pharmaceuticals. News of the Board changes aroused speculative support for PMA (Holdings), 3 higher at 55p, after 58p, while Avon Rubber, after Monday's advance of 16 on the chairman's encouraging statement, ended a penny firmer at 66p, after 70p. Fresh demand raised Ozalid 7 more to 134p, while gains of 4 were registered in Wm. Baird, 106p, Cape Industries, 144p, and Whitecroft, 103p. However, National Carbonising closed 3 down at 32p, after 30p, following recent strength on the Ninian oil-field financing operation. Lonsdale Universal declined 3 to 82p in reflection of the reduced profits.

After reaching a 1975/76 peak of 202p, Lucas finally settled at 200p for a net gain of a penny. Armstrong Equipment were raised 4½ to 69p, while Adams Gibbon, 53p, and T. C. Harrison, 54p, put on 2 apiece. Lex Service were noteworthy for a rise of 2½ to 27½p. Of the losers, British Leyland eased 1 to 29p and Dunlop receded 2 to 75p. T. Cowie, at 35p, gave up the previous day's gain of 2 which followed the results.

United continued firmly in Newspaper, rising 11 more to 255p, partly on the effects of a bear squeeze.

Oils often easier

The upgrading of the estimates of the Alaska Prudhoe Bay field costs contributed to unsettle British Petroleum, which reacted to 580p before closing a net 5 easier at 583p. Shell were affected more by the general market trend and lost 4 to 384p, while Ultramar cheapened similarly to 198p. Burmah, on the other hand, hardened 1 to 34p in active trading following news of the new tanker financing arrangements. Also firmer were Berry Wiggins, up 2 at 51p on the view that they had been overlooked recently. Overseas issues swayed with domestic market advices, Sunningdale gaining 15 further to 605p, but Woodside-Burmah losing 5 to 134p.

After opening a little firmer, Property leaders turned downwards in slack trading conditions to finish with modest declines. Land Securities, 189p, after 193p, and MEPC, 89p, after 93p, both ended 3 easier, while English Property shed 2½ to 72p. British Land shed a penny to 31½p following a reported company denial of rumours that a major Croydon development had been sold. It was also an uneventful day in secondary issues, where Property Holding and Investment closed 4 down at 238p and Law Land 2 off at 75½p. However, Property and Reversionary "A," 192p, and Chesterfield Properties, 148p, scored gains of around 4, while Land Investors, 99p, Land and House, 85p, and Argyle Securities, 49p, all improved about 3.

Narrowly mixed Overseas Traders had Lonrho 3 cheaper at 124p in front of to-day's interim results. Harrisons and Crosfield lost 13 to 912p and Inchcape 4 to 395p, but Gill and Duffus hardened 2 to 133p.

The chairman's bullish remarks in his annual statement attracted buyers to Charterhouse Group, which gained 6 to 55p in mixed Trusts and Financials. Buyers also came for Lampa Securities, 6 firmer at 127p, and Argo Investments, a similar amount dearer at 152p. The dividend omission and bigger loss, however, depressed Armour Trust, 2 down at 4½p.

Shippings again encountered a reasonably good business, with fresh speculative interest leaving Furness Withy 5 higher at 215p, after 217p. P and O Deferred eased a penny to 111p.

Sidlaw Industries were outstanding in Textiles, ending 6 up at 70p, after 73p, on the better-than-expected results and accompanying profits forecast. Carpet issues were wanted with Youghal particularly favoured at 80p, up 5, while Carpets International and Hugh Mackay both closed 2 better at 103p and 46p respectively. By way of contrast Courtaulds eased to finish 2 cheaper at 162p, after 165p.

Tobacco leaders drifted down from a firm start. With preliminary results due next Tuesday, Bats closed 2 off at 358p, after 361p. Imps were similarly lower at 82p.

Singlo Holdings were marked up 1½ to 7½p in narrowly mixed Teas.

Mining Finance losses

Notably unsettled in generally dull mining share markets were the London-based finance issues which suffered a backlash from the late weakness of U.K. Industrial stocks.

A further discouraging factor in Selection Trust, which retreated 20p to 585p, was news of the continuing week-old strike at the big Mount Newman iron-ore operation in Western Australia in which Selection Trust has both a direct and indirect stake. Charter fell 7 to 138p and Gold Fields lost 3 to 198p while Rio Tinto-Zinc, which gave up 4 to 190p, were additionally affected by the secessionists' threats to the Bougainville copper-gold mine in Papua New Guinea; shares of the latter fell 8 to 108p.

Overseas-based Financials also lost ground, "Amgold" being ¼ easier at £25¾ and Rand Selection 20 lower at 660p.

Coppers were generally easier, with Palabora down 20 at 880p and Botswana RST 2 lower at 56p. Cape selling affected Platinums, Potgietersrust being 6 cheaper at 180p.

South African Gold shares opened showing small gains in some places reflecting the firmer bullion price which was finally $1 up at $126.50 per ounce, but modest Cape and local offerings caused jobbers to lower prices in later dealings and the Gold Mines Index fell a further 1.7 to 211.0.

Australians tended to drift in line with overnight markets in Sydney and Melbourne. Peko-Wallsend (455p) and Poseidon (170p) were both 10 lower while BH South fell 5 to 190p.

In a quiet Tin group Southern Kinta eased 2 to 83p; in a joint announcement the company and Tongkah Harbour announced that their Thailand operations have been halted since January 24 by a strike.

Elsewhere, Silvermines rose a further 3 to 57p on Irish buying while Westfield Minerals fell 8 to 112p.

FINANCIAL TIMES STOCK INDICES

—	Jan. 27	Jan. 26	Jan. 23	Jan. 22	Jan. 21	Jan. 20	A year ago
Government Secs.	63.61	63.83	63.10	62.36	62.60	62.89	56.61
Fixed Interest	62.86	62.88	62.22	62.03	62.22	62.37	56.77
Industrial Ordinary	399.5	404.1	399.6	389.5	388.4	396.2	224.3
Gold Mines	211.0	212.7	221.4	212.1	205.0	197.1	306.5
Ord. Div. Yield %	5.27	5.21	5.27	5.36	5.38	5.29	8.77
Earnings Y'ld % (full)(a)	15.16	14.93	15.09	14.95	15.03	14.75	25.24
P/E Ratio (net) (a) (b)	9.72	9.86	9.76	9.61	9.76	9.94	5.51
Dealings marked	8,165	8,815	7,865	7,245	8,778	8,136	16,083
Equity turnover £m.	—	87.22	96.79	†99.16	72.85	66.81	112.69
Equity bargains total	—	20,830	19,258	16,794	17,197	17,696	35,116

10 a.m. 405.2. 11 a.m. 404.2. Noon 403.9. 1 p.m. 403.3. 2 p.m. 402.3. 3 p.m. 400.7.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=8.83.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942. † Corrected.

HIGHS AND LOWS

—	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	63.83 (26/1/76)	49.18 (3/1/75)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.88 (26/1/76)	50.53 (3/1/75)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	404.1 (26/1/76)	146.0 (6/1/75)	544.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5/75)	197.1 (20/1/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	Jan. 27	Jan. 26
Daily—		
Gilt-Edged	218.8	257.3
Industrials	276.2	297.0
Speculative	87.5	88.9
Totals	185.6	200.6
5-day Av'r'ge		
Gilt-Edged	216.4	225.4
Industrials	277.9	277.3
Speculative	87.0	84.4
Totals	186.0	185.9

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Equity groups	Tue. Jan. 27, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Monday Jan. 26 Index No.	Friday Jan. 23 Index No.	Thur. Jan. 22 Index No.	Wed. Jan. 21 Index No.	Year ago (approx.) Index No.	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	152.18	—	15.19	5.55	9.94	9.93	152.13	150.26	147.95	147.96	76.41	152.67 (16/1/76)	51.78 (6/1/75)	205.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (29)	146.14	−0.7	11.64	5.75	13.38	13.37	147.21	146.24	144.21	144.74	70.07	150.18 (15/1/76)	45.11 (6/1/75)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	246.89	+1.0	14.48	5.89	10.67	10.67	244.55	246.80	243.99	247.47	123.34	263.54 (18/11)	74.74 (6/1/75)	389.33 (19/5/72)	71.48 (12/12/74)
4	Electricals (16)	270.49	−0.4	16.14	4.41	9.08	9.08	271.71	267.22	261.12	259.69	146.67	271.71 (26/1/76)	98.49 (2/1/75)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	177.68	+0.9	17.26	6.61	8.99	8.99	176.12	171.71	166.03	166.70	92.60	177.68 (27/1/76)	64.39 (2/1/75)	202.67 (8/6/73)	64.39 (2/1/75)
6	Engineering (General) (63)	134.49	+0.5	16.54	6.30	9.06	9.06	133.88	131.62	130.02	129.86	64.80	139.49 (27/1/76)	45.43 (6/1/75)	168.59 (4/5/72)	46.43 (6/1/75)
7	Machine and Other Tools (9)	53.03	−0.5	15.92	7.96	11.32	11.32	53.28	53.10	52.42	52.53	28.02	53.28 (26/1/76)	20.11 (2/1/76)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (25)	131.33	+0.3	15.86	6.42	9.57	9.57	130.93	129.67	127.75	127.20	69.42	131.33 (27/1/76)	49.65 (6/1/75)	177.41 (27/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (56)	129.12	−0.3	14.60	4.86	10.32	10.31	129.56	127.95	125.53	125.02	55.35	129.56 (26/1/76)	38.39 (6/1/75)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	146.98	−0.9	13.24	3.64	11.31	11.29	148.33	147.53	143.72	142.10	66.47	148.33 (26/1/76)	44.28 (6/1/75)	257.41 (19/5/72)	42.85 (12/12/74)
11	Household Goods (14)	179.45	−0.1	15.56	5.95	10.84	10.81	179.66	177.28	176.95	178.82	91.68	181.70 (16/1/76)	64.53 (6/1/75)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (27)	74.63	+0.5	17.28	6.40	8.87	8.87	74.23	72.48	71.44	71.65	27.07	74.63 (27/1/76)	19.91 (6/1/75)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	158.05	−0.7	12.74	5.53	11.60	11.48	159.09	157.06	154.15	154.57	92.80	159.69 (15/1/76)	61.98 (6/1/75)	226.08 (16/5/72)	61.41 (13/12/74)
14	Breweries (15)	175.14	+0.1	12.85	6.16	11.68	11.68	174.90	172.62	167.56	168.51	114.26	175.99 (16/1/76)	75.56 (6/1/75)	281.87 (29/11/72)	69.47 (13/12/74)
15	Wines and Spirits (7)	183.82	+1.3	10.07	5.49	15.07	15.07	181.41	178.52	175.71	176.93	117.87	184.81 (16/1/76)	80.42 (6/1/75)	257.40 (13/7/72)	78.81 (13/12/74)
16	Entertainment, Catering (16)	202.74	−0.6	11.09	6.03	14.42	13.76	203.94	199.84	193.08	194.25	87.57	203.94 (26/1/76)	55.28 (6/1/75)	329.98 (12/12/72)	54.87 (19/7/74)
17	Food Manufacturing (22)	167.75	−1.0	12.95	4.94	10.87	10.80	169.41	167.07	164.15	163.44	90.70	169.49 (12/1/76)	62.03 (2/1/75)	211.65 (1/5/72)	59.76 (11/12/74)
18	Food Retailing (16)	148.81	+0.1	10.65	4.65	13.66	13.66	148.64	147.56	144.84	144.62	90.43	155.68 (10/11)	57.16 (2/1/75)	255.06 (13/2/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	174.10	—	12.96	5.81	11.58	11.58	174.10	173.41	171.95	171.50	83.81	175.30 (15/1/76)	55.08 (6/1/75)	260.29 (16/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	108.10	−1.6	20.45	7.06	7.28	7.28	109.84	108.79	106.52	107.09	63.50	111.08 (16/1/76)	43.46 (6/1/75)	135.69 (25/4/72)	43.46 (6/1/75)
21	Stores (33)	131.08	−1.2	11.43	5.16	13.43	13.41	132.68	131.61	129.67	130.35	83.66	135.81 (15/1/76)	52.63 (6/1/75)	204.39 (16/8/72)	52.63 (6/1/75)
22	Textiles (22)	178.22	−1.1	13.37	6.06	9.63	9.03	180.25	177.54	173.45	174.10	89.22	180.25 (26/1/76)	62.91 (6/1/75)	266.72 (17/8/66)	62.66 (11/12/74)
23	Tobaccos (3)	226.78	−0.6	15.30	5.95	9.95	9.95	228.18	223.93	221.54	222.29	138.98	250.68 (12/1/76)	109.92 (6/1/75)	339.15 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	59.85	—	22.78	6.64	6.11	6.11	59.88	59.40	59.13	59.72	29.67	63.76 (20/11)	20.92 (6/1/75)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (94)															
25	Chemicals (24)	210.56	−0.9	13.30	4.57	10.54	10.54	212.49	210.41	207.84	207.41	108.15	212.49 (26/1/76)	73.14 (6/1/75)	212.49 (26/1/76)	71.20 (1/12/74)
26	Office Equipment (10)	91.71	−1.3	15.46	6.69	10.62	10.62	92.94	95.14	91.18	97.63	78.80	104.78 (17/4)	45.34 (2/1/75)	246.06 (1/9/72)	45.54 (2/1/75)
27	Shipping (12)	413.01	−1.2	16.25	5.88	7.01	6.73	408.22	401.73	394.62	394.90	282.22	413.01 (27/1/76)	194.36 (6/1/75)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (48)	168.51	−0.6	14.00	6.27	10.52	10.51	169.59	167.27	165.15	165.55	89.23	169.59 (26/1/76)	60.59 (6/1/75)	258.83 (2/10/72)	60.59 (6/1/75)
29	INDUSTRIAL GROUP (496)	159.94	−0.5	13.72	5.43	10.70	10.84	160.72	158.78	156.15	156.52	88.09	160.91 (16/1/76)	59.19 (6/1/75)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	333.95	−0.9	16.07	4.82	7.41	6.64	337.05	339.30	334.44	332.10	171.36	351.71 (9/1/76)	105.63 (2/1/75)	461.66 (2/10/69)	87.25 (29/6/62)
31	500 SHARE INDEX	174.58	−0.5	13.92	5.34	10.05	9.78	175.54	173.91	171.09	171.25	95.15	175.91 (16/1/76)	65.49 (6/1/75)	227.95 (16/2/72)	65.49 (13/12/74)
32	FINANCIAL GROUP (100)	150.70	+0.1	—	4.70	—	—	150.62	148.15	145.45	145.65	87.56	150.70 (27/1/76)	56.50 (6/1/75)	241.41 (1/5/72)	55.88 (13/12/74)
33	Banks (6)	188.16	−0.8	15.49	4.28	9.87	9.87	189.59	186.75	182.50	180.90	99.24	189.59 (26/1/76)	62.56 (2/1/75)	288.32 (30/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	176.12	−0.6	—	5.98	—	—	175.10	176.69	176.62	176.09	118.76	186.52 (15/1/76)	84.13 (6/1/75)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	118.72	−1.5	—	5.56	—	—	120.52	117.87	118.72	118.72	87.58	134.39 (10/6)	42.81 (6/1/75)	433.78 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	126.40	−0.7	—	5.32	—	—	127.54	125.56	125.02	125.81	75.07	129.31 (18/11)	44.88 (2/1/75)	194.46 (10/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	116.69	−0.9	—	5.78	—	—	117.61	115.27	112.33	113.20	66.58	123.90 (30/5)	44.47 (2/1/75)	155.76 (21/4/72)	43.96 (16/12/74)
38	Insurance (Brokers) (9)	225.11	−0.5	9.20	4.05	16.38	16.38	225.77	225.25	221.72	223.99	111.91	232.39 (15/11)	68.96 (7/1/75)	262.37 (12/12/72)	65.86 (16/12/74)
39	Merchant Banks (17)	93.85	−0.8		5.86			93.08	91.18	90.51	90.51	56.58	94.97 (7/5)	31.21 (7/1/75)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	188.32	−0.7	2.43	2.59	78.44	72.84	189.67	185.93	182.59	183.14	131.82	241.22 (2/4)	88.19 (7/1/75)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	87.08	+4.4	15.37	6.24	10.32	10.32	83.38	82.67	82.19	83.65	50.76	87.08 (27/1/76)	34.78 (10/1/75)	303.13 (3/6/72)	33.29 (17/12/74)
42	Investment Trusts (50)	181.76	+0.1	2.77	3.94	36.14	36.12	181.63	180.17	177.55	177.51	112.36	184.40 (15/1/76)	73.43 (6/1/75)	240.79 (25/8/72)	71.85 (13/12/74)
43	ALL-SHARE INDEX (650)	168.81	−0.4	—	5.14	—	—	169.49	167.70	164.93	165.09	93.90	169.49 (26/1/76)	62.16 (6/1/75)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	418.81	+0.7	15.30	8.02	10.05	10.01	416.75	420.07	421.01	421.33	334.05	525.43 (2/5)	281.66 (2/1/75)	656.37 (2/7/73)	84.68 (25/8/66)
45	Teas (9)	119.25	−0.1	39.64	8.69	3.70	3.65	119.34	119.07	119.07	119.07	78.69	124.57 (11/11)	76.76 (10/6/75)	124.57 (11/11/75)	59.72 (17/10/74)
46	Coppers (3)	275.17	−0.5	35.91	6.24	2.78	2.78	276.58	270.60	267.28	263.96	392.61	467.74 (2/5)	251.97 (12/12/75)	567.78 (15/1/75)	94.08 (23/4/62)
47	Mining Finance (11)	111.27	−1.0	10.62	4.52	10.64	10.64	112.37	113.04	111.92	111.96	88.01	141.34 (30/5)	80.58 (22/1/75)	175.90 (28/4/69)	66.31 (30/9/74)
48	Tins (8)	88.29	−0.4	14.17	10.25	10.07	9.45	88.61	89.24	89.28	89.84	70.34	114.49 (15/5)	58.91 (2/1/75)	125.43 (12/1/73)	64.83 (27/6/71)
49	Overseas Traders (13)	253.23	−0.7	14.43	4.50	8.87	8.86	253.75	254.07	251.60	251.05	129.76	253.23 (20/5)	97.37 (6/1/75)	252.25 (20/6/75)	97.57 (6/1/75)

	FIXED INTEREST	Tuesday Jan. 27 Index No.	Yield %	Monday Jan. 26	Friday Jan. 23	Thurs. Jan. 22	Wed. Jan. 21	Tuesday Jan. 20	Mon. Jan. 19	Friday Jan. 16	Year ago (approx.)	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	13.54	13.55	13.70	13.89	13.88	13.78	13.78	13.67	16.07	—	—	—	—
2	20-yr. Govt. Stocks (6)	51.45	12.67	51.78	50.69	49.85	50.06	50.63	50.89	51.14	45.75	53.09 (20/5)	38.27 (3/1/75)	116.42 (11/9/58)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	50.29	14.70	49.99	50.46	50.24	50.33	50.42	50.48	50.37	41.94	50.68 (21/5)	37.01 (6/1/75)	114.43 (25/10/55)	37.01 (6/1/75)
4	Investment Trust Prefs. (15)	49.99	13.84	49.94	49.94	49.77	49.86	49.77	49.77	49.77	42.14	49.99 (27/1/76)	35.35 (6/1/75)	114.41 (15/9/65)	34.46 (4/12/74)
5	Coml. and Indl. Prefs. (20)	69.84	13.57	69.58	69.47	69.20	69.43	69.66	69.95	69.74	56.31	69.95 (19/1/76)	47.67 (6/1/75)	114.96 (7/10/64)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	133.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	154.76	Insurance Brokers	29/12/67	96.67
Toys and Games	1/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	152.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

‡ Redemption yield. FT-Actuaries Indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 16p, Commonwealth 18p, Foreign 22p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975/6 high	1975/6 low
Burmah Oil	£1	14	34	+1	100	27
Barclays Bank	£1	12	342	−3	348	112
ICI	£1	12	362	−3	366	118
Hambros	25p	10	220	+10	220	58
Rank Org. "A"	25p	10	160	−8	205	78
Weston Pharm.	10p	10	74½	−2½	77	19
BP	£1	9	583	−5	615	190
GEC	25p	9	156	−2	158	31
GKN	£1	9	290	+1	293	93
Midland Bank	£1	9	315	+2	315	122
Nat. Westminster	£1	9	285	−3	290	88
Bass Charrington	25p	8	110	—	113	47
Beecham	25p	8	343	−10	356	116
Comm. Union	25p	8	155	+1	194	72
Distillers	50p	8	147½	−1½	151	65½

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Jan. 20	Feb. 2	Apr. 14	Apr. 28
Feb. 3	Feb. 16	Apr. 29	May 11
Feb. 17	Mar. 1	May 13	May 25

"Calls" were dealt in Charterhall Finance, Cadbury Schweppes, Premier Consolidated, Fitch Lovell, Hill Samuel Warrants, Spillers, National Westminster Bank Warrants, Imperial Group, Dunlop, BSG, Johnson and Firth Brown, Burmah Oil, Manganese Bronze, Central Manufacturing, Whessoe, Town and Centre, Distillers, Tricentrol, CCH Investments, Babcock and Wilcox and House of Fraser. No "puts" were reported, while "doubles" were arranged in S. and W. Berisford, Cons. Gold Fields, Hill Samuel Warrants, Burmah Oil and Central Manufacturing.

Industrials		Guardian	20	Spillers	5	Shell	28
		G.K.N.	22	Tesco	6	Ultramar	20
A. P. Cement	15	Hawker Sidd.	27	Thorn "A"	20		
Assoc. Leisure	3	House of Fraser	8	Tube Invest.	27	**Mines**	
Barclays Bank	25	I.C.I.	21	Unilever	40	Anglo Amer.	50
Beecham	28	"Imps"	7	Utd. Drapery	10	Charter Cons.	19
Boots Drug	12	I.C.L.	7	Vickers	15	Chart'h'll Fin.	6
Bowaters	16	Inveresk	7	Williams Hud'n	4	Cons. Gold	18
B.A.T.	30	Legal & General	13	Woolworths	6	De Beers Def.	35
British Leyland	7	Ladbroke	11			F. S. Geduld	350
BOC Intl.	5½	Lloyds Bank	28	**Property**		Great Boulder	12
Burton "A"	7	"Lots"	5½	Amal. Inv.	4	Hampton Areas	14
Cadburys	6	"Mams"	6	Brit. Land	4	Hampton Prop.	4
Courtaulds	11	Marks & Spencer	11	Cap Counties	4½	Kloof	140
Debenhams	8	Midland Bank	25	E.P.	8	Lonrho	13
Distillers	13	Nat'l West Bank	22	Land Securities	18	Loraine	55
Dunlop	6½	"Do" Warrants	10	MEPC	9	Poseidon	65
Eagle Star	13	P & O Dfd.	11	Peachey	6	Pres. Steyn	275
E.M.I.	17	Plessey	8	Town & City	4½	Rio T. Zinc	20
Gen. Accident	16	R.H.M.	6	Town & Comm.	4	Welkom	55
Gen. Electric	13	Rank Org. "A"	18			West Areas	75
Glaxo	35	Reed Intl.	23	**Oils**		Western M'ng	18
Grand Met	7	Rothmans	4	Brit. Petroleum	42		
G.U.S. "A"	17	Slater Walker	5½	Burmah Oil	4		

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	16	34	9
Corpns. Dom. and Foreign Bonds	8	—	56
Industrials	339	296	1,077
Financial and Prop.	117	115	357
Oils	8	10	16
Plantation	11	2	34
Mines	15	54	82
Recent Issues	8	4	28
Totals	522	515	1,649

NEW HIGHS AND LOWS FOR 1975/76

Too numerous to name individually, the 154 new 1975-76 highs recorded among securities listed in the Share Information Service yesterday are given below in their sub-sections. There were 2 new lows.

NEW HIGHS (154)

BRITISH FUNDS (8)
INTERNATIONAL BANKS (1)
COM'WEALTH & AFRICAN LOANS (1)
FOREIGN BONDS (1)
AMERICANS (18)
CANADIANS (5)
BANKS (1)
BEERS (3)
BUILDINGS (8)
CHEMICALS (1)
DRAPERY & STORES (6)
ELECTRICALS (8)
ENGINEERING (26)
FOODS (1)
HOTELS (1)
INDUSTRIALS (26)
INSURANCE (2)
MOTORS (5)
NEWSPAPERS (2)
PROPERTY (2)
SHIPPING (2)
SHOES (1)
TEXTILES (6)
TRUSTS (18)
OILS (1)

NEW LOWS (2)

MINES (2)
Coronation Synd. Falcon

BASE LENDING RATES

AFI International 10½%
Allied Irish Banks Ltd. 10½%
Anglo-Portuguese Bank 10½%
Henry Ansbacher ...... 11 %
Banco de Bilbao 10½%
Banco de Jerez 11½%
Bank of Cyprus ...... 11 %
Bank of N.S.W. 10½%
Banque du Rhone S.A. 11½%
Barclays Bank 10½%
Barnett, Christie Ltd. 12 %
Bremar Holdings Ltd. 12 %
Brit. Bank of Mid. East 10½%
■ Brown Shipley 10½%
Cayzer Ltd. ...... 11 %
Cedar Holdings ...... 11 %
■ Charterhouse Japhet ... 11 %
C. E. Coates ...... 11 %
Consolidated Credits ... 10½%
Co-operative Bank ... *10½%
Corinthian Securities ... 10½%
Credit Lyonnais 10½%
G. R. Dawes 11½%
Duboff Brothers ...... 12 %
Duncan Lawrie ...... 11 %
English Transcont. 11½%
First London Secs. 10½%
■ Antony Gibbs 10½%
Goode Durrant Trust... 11 %
Greyhound Guaranty... 10½%
Grindlays Bank 10½%
■ Guinness Mahon 10½%
■ Hambros Bank 10½%
Hawtin & Partners ... 13 %
■ Hill Samuel ...... §10½%
C. Hoare & Co. ...... †10½%
Julian S. Hodge 11½%
Industrial Bank of Scot. 10½%
Keyser Ullmann ...... 11 %
Knowsley & Co. Ltd. ... 12½%
Lloyds Bank 10½%
London & European ... 11½%
London Mercantile ... 11½%
Midland Bank 10½%
■ Samuel Montagu 10½%
■ Morgan Grenfell 10½%
National Westminster 10½%
Northern Comm. Trust 11 %
Norwich General Trust 11 %
Portman Guaranty...... 11 %
P. S. Refson & Co. 10½%
Rossminster Accept'cs 10½%
Schlesinger Limited ... 11½%
E. S. Schwab ...... 12 %
Security Trust Co. Ltd. 12 %
Shenley Trust 12½%
Standard Chartered ... 10½%
Sterling Credit ...... 12 %
Thames Guaranty ...... 11 %
Trade Development Bk. 10½%
Twentieth Century Bk. 12½%
United Bank of Kuwait 10½%
Whiteaway Laidlaw ... 11 %
Williams & Glyn's ... 10½%
Yorkshire Bank 10½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 8½%, 1-month deposits 6½%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 7½%, and over £25,000 7¼%.
§ Demand deposits 8½%.

MONEY MARKET

Interest rates lower

Bank of England Minimum Lending Rate 10½ per cent. (since January 23, 1976)

Fixed period interest rates were generally easier in the London money market yesterday, though the shortage of day-to-day funds tended to restrict the downward trend for the very short periods. Discount houses buying rate for three-month Treasury bills declined to 9¹¹⁄₁₆ per cent., which would cause a further cut in Bank of England Minimum Lending Rate, if repeated at the weekly Treasury bill tender. The three-month sterling certificate yield eased to 9¾-9½ per cent. from 10-9⅞ per cent.

Day-to-day credit was in short supply and the authorities gave a very large amount of assistance by buying Treasury bills from the discount houses and banks, and corporation bills from the houses. Government disbursements exceeded revenue payments to the Exchequer, but on the other hand, the market was faced with run-down balances carried forward by the banks, a net take-up of Treasury bills to finance an increase in the note circulation, maturing local authority bills, and large settlements of official gilt-edged sales.

Discount houses paid 10-10½ per cent. for secured call loans in the early part, and closing balances were taken at 10½-11 per cent. In the interbank market overnight loans opened at 10-10½ per cent. and remained at 10¼-10½ per cent. for the most part, before rising during the afternoon to close at 13-14 per cent.

Rates in the table below are nominal in some cases.

Jan. 27 1976	Sterling Certificates of deposit	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposits	Company deposits	Discount market deposits	Treasury bills ф	Bank bills ф	Fine trade bills ф
Overnight	—	10-14	—	—	—	10¼-10⅝	10-11	—	—	—
2 days notice	—	—	10-10⅛	—	—	—	—	—	—	—
7 days or 7 days notice	—	10¼-10⅜	10-10¼	—	—	—	10⅛-10⅜	—	—	—
One month	10⅛-9⅞	10⅛-10¼	10⅛-10⅛	10⅛-10	10¼-11	—	9⅞-10⅛	9¾-9⅞	10⅛	11-10⅝
Two months	10-9⅞	9⅞-10		10⅛-10	10¼-11	—	9⅝-9⅞	9⅞-9¾	9⅞-9½	11-10¾
Three months	9⅞-9½	9¾-9½	10-10⅛	10⅛-10	10⅛-11	—	9⅝-9¾	9⅞	9¾-9⅞	12-10⅝
Six months	9⅞-9½	9¾-9½	10-10⅛	10¼-9¾	10⅛-11	—	—	—	9⅞-9½	11-10⅝
Nine months	9½-9	9¾-9⅞	—	10⅝-9⅞	10¼-11	—	—	—	—	—
One year	10⅛-9½	10⅛-10⅛	10⅝-10¾	10⅝-9⅞	10¼-11	—	—	—	—	—
Two years	—	—	11¼-11⅞	—	—	—	—	—	—	—

† Local authority and finance houses seven day's notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 12½-12¾ per cent.; four years 12¾-13 per cent.; five years 13¼-13½ per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 9⅝-9⁹⁄₁₆ per cent.; and four-month trade bills 11-10¾ per cent. Approximate selling rates for one-month Treasury bills 9⅞ per cent.; two-month 9²³⁄₃₂-9¾ per cent.; three-month 9¹⁹⁄₃₂-9⁹⁄₁₆ per cent. Approximate selling rate for one-month Bank bills 9¹⁵⁄₁₆ per cent.; two-month 9⅞-9¹³⁄₁₆ per cent.; and three-month 9¾-9⁹⁄₁₆ per cent.; for one-month trade bills 10½-10¼ per cent.; two-month 10¼-10⅛ per cent.; and three-month 10⅛-10¼ per cent.

Finance House Base Rate (published by the Finance Houses Association) 11½ per cent. from January 1. Clearing Bank Deposit Rate for small sums at seven days' notice 6½ per cent. Clearing Bank Rates for lending 10½ per cent. Treasury bills: Average tender rates of discount 9.9551 per cent.

CORAL INDEX

Close 398-403

I.G. INDEX

GOLD 124½-127½

INSURANCE BASE RATES

† Atlantic Assurance ...... 11 %
Cannon Assurance ...... 9 %

† Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

[illegible]

REGIONAL MARKETS

lection of the share prices previously shown under regional headings is d below with quotations on London. Irish issues, most of which are not listed in London, are shown separately and with prices as on the Irish :.

iv. 20p	17	......	Graig Ship. £1	320	−15	Shiloh Spinn.	38	......
ning.	39	......	Hallam Sleigh 10p	7	......	Sindall (Wm.)	53	......
......	29	......	Higsons Brew.	93	......			
st. 50p	146	......	I.O.M. Stm. £1	130	......	IRISH		
oft	30	......	Holt (Jos.) 25p	260	......			
se £1	320	......	Kleen-e-Ze	18	......	Alliance Gas (£1)	86	......
A.)	25	......	Lovell's Ship £1	70	......	Carroll (P. D.)	123	......
Hdy.	57	......	N'thn. Goldsmith	89xd	......	Clondalkin	46	......
k. 10p.	31xd	......	P.M.A.	55	+6	Concrete Prods.	85	......
......	9	......	Pearce (C. H.)	80	......	Goodbody (£1)	34	......
e	40	......	Peel Mills	12	......	Helton (Hldgs.)	34	......
5p	16	......	Richards 10p	15½	......	Irish Distillers	62	−3
d 50p	135	......	RobbCaledonSh.	45	......	Irish Wire	40	......
Sons	10	......	Savers 12½p	11	......	Jacob	72	......
)	76	......	Sheffield Brick	70	+2	Sunbeam	13	+2
			Sheff. Refrshmt.	140	......	Unidare	70	+4

AM TIN BERHAD

THERN KINTA CONSOLIDATED, LIMITED

GKAH HARBOUR TIN DREDGING BERHAD

The operations in Thailand of the above-named companies been halted since Saturday, 24th January, by a strike wing the submission of 17 demands by the Labour Union.

The Labour Department has ruled that the Union has no right to make demands during the currency of the present ement, which does not expire until 19th March, 1976.

The Labour Department has been asked to intervene.

l, Moorgate,
lon EC2R 6BH.
January, 1976.

INSURANCE, PROPERTY, BONDS

[illegible]

OFFSHORE AND OVERSEAS FUNDS

[illegible]

NOTES

[illegible]

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975/6 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99 11/16	94 13/16	Exch. 6½pc 1976‡‡	99¾xd	.....	—	9.76
98⅞	92 1/16	Treasury 6½pc 1976‡‡	98⅝xd	+1/16	6.61	9.67
99	97	Victory 4pc 1976‡‡	98⅝	.....	4.04	—
102	96⅞	Treasury 10½pc 1976‡‡	100 13/32	+1/32	10.45	9.85
96½	88⅞	Treasury 6¾pc 1977‡‡	96½	+1/32	6.46	9.30
95¾	86¼	Electric 3pc '74-77	95¾	.....	3.13	6.97
103 13/16	96⅞	Treasury 11½pc '77‡‡	101 13/32	+1/16	11.29	10.23
94	84	Treasury 3pc '77‡‡	93⅞	−⅛	3.20	6.65
93¼	84⅛	Transport 4pc '72-77	93¾	+⅛	4.27	7.58
96½	90½	Treasury 9pc 1978‡‡	96⅝	+1/16	9.34	10.94
100 1/16	96	Treasury 10½pc '78‡‡	99 1/16	+1/16	10.55	10.70
92½	79	Exchequer 5pc '76-78‡‡	92¼	.....	5.42	8.29
103	94 7/16	Treasury 11½pc '78‡‡	101 27/32	+1/16	11.35	10.99
86⅝	71⅞	Treasury 3pc '79‡‡	86⅝	+½	3.47	7.41
87⅝	73⅞	Electric 4¼pc '74-79	87⅜	+⅜	4.86	8.36
100 1/16	94½	Treasury 10½pc '79‡‡	97⅝	+1/16	10.76	11.26
97⅝	95 1/16	Do. 10½ 1979 'A'	97⅝	+1/32	10.76	11.26
86½	71	Electric 3½pc '76-79	86½	.....	4.05	7.65
95	84	Treasury 9pc 1980‡‡	93¼xd	+1/16	9.67	11.17
95 1/16	89¼	Treasury 9½pc '80‡‡	93½	+1/32	10.16	11.44
93½	92¼	Treas. 9½ 1980	93½	+1/16	10.16	11.45
85¼	68¼	Treasury 3½pc '77-80	85¼	.....	4.08	7.36
87⅜	71	Funding 5¼pc '78-80‡‡	87½	.....	6.01	8.77
100 13/16	94 13/16	Treasury 11½pc 1981	100 13/16xd	+1/16	11.39	11.23
		Five to Fifteen Years				
84⅞	66⅛	Treasury 3½pc '79-81	84¾xd	−⅛	4.12	7.10
91⅛	72⅝	Do 8¼pc '80-82‡‡	88¼xd	−⅛	9.61	11.20
105⅛	86⅝	Treasury 12pc 1983‡‡	105	−⅛	11.92	11.86
78⅛	58	Funding 5½pc '82-84‡‡	78xd	−⅛	7.07	9.54
85¼	61⅜	Treasury 8¼pc '84-86‡‡	84	−⅛	10.17	11.20
73¼	51⅜	Funding 6½pc '85-87‡‡	72¾	−½	9.13	11.02
76¼	53	Treasury 7¾pc '85-88‡‡	75xd	−¼	10.34	11.68
49⅝	32⅞	Transport 3pc '78-88	49¼	−⅛	6.12	10.40
57⅝	39¼	Treasury 5pc '86-89	57½	−⅛	8.92	11.37
99¼	96	Treasury 13pc 1990‡‡	98⅝	−⅜	13.24	13.28
75½	53¼	Treasury 8¼ '87-90‡‡	73¼	−⅜	11.42	12.43
		Over Fifteen Years				
58	41⅞	Funding 5¾pc '87-91‡‡	57⅝	−⅛	10.30	12.20
96	85½	Treasury 12¼pc '92‡‡	95½	−½	13.38	13.47
97½	83⅝	Treasury 12½pc '93‡‡	93½	−½	13.44	13.55

Undated

**INTERNATIONAL BANK

**CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

S.E. List Premium 66¼% (based on $2.0257 per £)

CANADIANS

S.E. List Premium 66¼% (based on $2.0253 per £)

Conversion factor 0.5887 (0.5892)

††BANKS AND HIRE PURCHASE

1975/6 High	Low	Stock	Price	+ or −
250	135	Alexanders D. £1	230xd	.....
£114	£67	Algemene Fl.100	£103	+1
480	190	Allen Harvey £1	465	+5
142	45	Allied Irish	124	+2
77	14	Anglo Contnl.	51	.....
185	95	Arbuthnot L. £1	175	.....
445	170	Aust. & N.Z. £1	435	.....
£57	£21¼	BankAmer. $3.125	£35⅜	+1
40	22½	Bk. Hapoalim I£1	32¼	.....
385	120	Bk. Ireland £1	355	−5
£151	£66	Do. 10pc Cv. 91-96	£147	.....
23	16½	Bk. Leumi I£1	22	.....
230	180	Bk. Leumi (UK) £1	220xd	.....
720	370	Bk. N.S.W. $A2	695	.....
320	104	Bank Scotland £1	320	.....
£71¼	£20⅝	Bankers N.Y. $10	£26⅜	+1
348	112	Barclays £1	342	−3
73	19	Bates (Edward)	42	.....
		For Bowring (C. T.) see Insurance		
235	75	Brown Shipley £1	165	−5
290	110	Cater Ryder £1	278	.....
—	—	Cedar Hldgs. 20p	13	.....
74	48	Clive Dis'nt 20p	72	+1
320	149	Com'l Aus. (SA1)	300	−5
£14⅜	£10⅛	Com'zbk DM10	£13⅛	.....

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS & CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

هكذا اصه الأصل

...dend for the 1976 business year of Kr.6 per share.

($58.4m.) and ... ($258.6m.) respectively.

... 1989 ... Kidder, Peabody Securities.

هكذا صدر الأصل

INDUSTRIALS—Continued

††INSURANCE

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
43	18	Bowring (C.T.)	80	.....	†2.11	2.2	4.1	16.9
*94	19	Brentnall Bd. 10p	88	+2	t3.43	ϕ	6.0	ϕ
160	60	Britannic 5p	156	+2	7.0	—	6.9	—
970	440	Comb. Ins. Am.$1	925xd	−15	tQ66c	—	3.4	—
194	72	Comm. Union	155	+1	6.77	—	6.7	—
*139	55	Eagle Star	137	−1	t4.99	—	5.6	—
£125	£100	Ezmla UK 8%Cnv.	£122	−1	Q8%	—	17.4	—
196	50	Equity & Law 5p	184	+2	5.1	—	4.3	—
184	67	Gen. Accident	184	.....	†5.4	—	4.5	—
224	83	Guardian Royal	221	−3	†7.75	—	5.4	—
292	82	Heath (C.E.) 20p	283	.....	†6.1	3.9	3.3	12.0
158	37½	Hogg Robinson	156xd	.....	†b3.29	3.7	3.2	12.9
150	30	Howden (A.) 10p	128	−1	g2.35	4.6	2.3	12.8
148	43½	Legal & Gen. 5p	142	.....	t4.36	—	4.7	—
125	33	Lon. & Gdwn. 10p	105	.....	3.39	2.3	5.0	13.6
143	48	Lon. & Man. 5p	138	+2	t4.35	—	4.8	—
178	63	Matthew Wr. 20p	170	.....	†7.39	1.5	6.7	15.1
*125	38	Minet Hldgs. 20p	108	.....	t2.36	3.9	3.4	14.9
250	93½	Pearl 5p	248	+2	9.6	—	6.0	—
236	87	Phoenix	236	+2	t8.25	—	5.4	—
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's	P/E
22	10	Ests. & Gen. 20p	16	.....	0.7	—	6.7	—
82½	26½	Ests. Prop. Inv.	56	.....	2.33	1.0	6.4	22.6
59	16½	Evans Leeds	59	.....	hd1.93	1.9	5.0	16.4
134	115	Ewart New Nthn. £1	115	.....	—	—	—	—
27½	7	Forum Props. 10p	24	.....	0.25	1.6	1.6	58.6
14	5	Fraternal Est. 5p	8	.....	—	—	—	—
14	6	Gilgate 10p	10½	.....	—	—	—	—
180	90	Glanfield Secs.	170	.....	11.25	1.1	10.2	12.6
266	116	Gt. Portland 50p	254	.....	3.29	1.4	2.0	51.4
28	12	Green (R.) 10p	26	.....	1.34	1.0	7.9	20.7
12	5	Greencoat 5p	10½	.....	0.13	1.4	1.9	51.3
470	153	Hammerson 'A'	381	−1	4.52	1.7	1.8	49.7
32	25	Hartley Ind. Tst.	25	.....	1.3	—	8.0	—
227	79	Haslemere 10p	215	.....	g2.66	3.6	1.9	24.6
130	53	HK Land. HK$5	127½	−2½	Q28c	1.2	2.0	39.9
245	65	Imry Property	165	.....	‡2.31	1.4	‡	—
49	23½	Int'european 10p.	48	+½	2.01	—	6.4	—
52	15	Inv. & Pr. Hldgs.	21	.....	‡1.15	—	‡	—
27	13	Jermyn Invest	23	.....	1.59	1.0	10.7	14.2
74	23½	Keith & Hed'n 5p.	63	.....	0.89	2.7	2.2	19.8
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Trusts, Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1975/6 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8½	3	Burma Mine 17½p	8	.....	m0.5	—	1.7
65	17	Charterhall 5p	39	+½	—	—	—
880	360	Cons. Murch. 10c	860	−20	Q80c	ϕ	5.1
53½	29½	Lauricia	36	.....	—	—	—
375	200	Northgate C$1	290	−10	tQ25c	1.0	4.8
211	80	R.T.Z.	190	−4	t5.51	4.4	4.5
135	47½	Sabina Inds. C$1	100	−6	—	—	—
81	45	Stanford Mines	45	.....	—	—	—
£12½	874	Tara Expln. $1	£10½	.....	—	—	—
100	38	Yukon Cons. C$1	100	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- • "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ϕ Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ≠ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- ‡ Based on 1975 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✝ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1975. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 19

FINANCIAL TIMES
Wednesday January 28 1976

U.S. veto 'ends hope of Mid-East talks'

BY LOUIS FARES

DAMASCUS, Jan. 27.

SENIOR SYRIAN officials said that last night's U.S. veto of the Arab-sponsored United Nations Security Council resolution recognising Palestinian rights puts an end to any hopes of resuming the Geneva peace conference on the Middle East. The sharp Syrian response to the U.S. veto was echoed by diplomats who now believe that the Geneva conference which brought Israel, Egypt, Jordan and eventually Syria together after the 1973 Arab-Israeli war, is now a dead letter and that new efforts are under way to find another forum for resuming peace attempts.

The Syrians, who forced the Security Council to consider the new resolution on the Palestinians by linking their renewal of the mandate for UN peace-keeping troops on the Golan Heights to a debate on the Middle East, were clearly disappointed but not surprised by the American attitude.

They drew solace from the appearance of U.S. isolation on the Palestinian issue in the Council.

Acceptance of the resolution by the Security Council would have meant "that nobody would have opposed holding the Geneva conference with all parties concerned and specifically the Palestinian Liberation Organisation," Mr. Ahmed Iskander, the Minister of Information, said in an interview. Syria will not attend any conference which will discuss the Middle East problem if the PLO is absent, he added.

Withdrawal

The Security Council resolution called for the recognition of the Palestinians' right to establish a state in Palestine, the return of refugees to their homes and total Israeli withdrawal from all territories occupied in the 1967 war.

"The U.S. finds itself totally isolated by the veto," said Mr. Abdel Ghani Rifai, Deputy Foreign Minister.

Both officials reiterated Syria's refusal to go to an informal preparatory conference (other than Geneva) proposed by Dr. Henry Kissinger without the PLO.

Reuter reports from Washington: President Ford made an urgent plea for new efforts on behalf of peace in the Middle East when he began two days of talks with Mr. Yitzhak Rabin, Israeli Prime Minister, here to-day.

He praised Israel's decision to reach troop disengagement accords with Egypt in Sinai but said more had to be done to avert the threat of a new war.

Diplomatic sources discouraged any expectation that President Ford's talks with Mr. Rabin would result in a major diplomatic breakthrough during this U.S. Presidential election year. They said Mr. Rabin was certain to come under pressure from the President for Israel to display a willingness to provide momentum so that further peace progress could be made this year.

Mr. Rabin's statement that Israel would do all that could be reasonably done was viewed as a reflection of his Government's cautious attitude.

U.S. conciliation bid Page 6
Editorial comment Page 16

Iceland PM goes home with plan to end cod war

BY MALCOLM RUTHERFORD

AFTER FOUR days of negotiations with Mr. Harold Wilson and other Ministers, Mr. Geir Hallgrimsson, the Icelandic Prime Minister, left London last night to report to his Cabinet in Reykjavik on ways of ending the cod war.

Mr. Hallgrimsson was believed to have taken with him a package of proposals for his six-man Cabinet to consider, but there was no comment from either side about the content.

Icelandic sources said that they expected the Cabinet would meet this morning. In theory, if there were a straight "yes" or "no" answer, this would be in time for Mr. Wilson to report the results of the negotiations to the House of Commons.

Mr. Wilson has already indicated that he will be making a statement to-day but in the absence of a clear answer from Reykjavik it could be no more than a holding affair.

The danger of a delay in the Icelandic decision, which is well understood by British Ministers, is that there could be more incidents at sea leading to a renewed call from British trawlermen for the return of Royal Navy protection. It was only the withdrawal of protection last week that enabled negotiations to get under way.

Since the warp-cutting incident on Monday, no further action has been reported, although British skippers were said to be still distinctly nervous.

British Ministers began the negotiations last autumn by asking for an annual British catch of 130,000 tonnes—the same figure as in the two-year agreement which expired last November—in spite of the Icelandic decision to declare a 200-mile fishing limit.

In subsequent talks, the British request was reduced to 110,000 tonnes. After the talks broke down, Ministers let it be known they would be prepared to go to 100,000 tonnes "or even below."

The Icelandic Foreign Minister, Mr. Einar Augustsson, at one stage offered 65,000 tonnes, but apparently without full authority. The offer was later withdrawn.

The Icelanders have always said that the key issue was the need for conservation, but British and Icelandic scientists disagreed both about the size of the stocks and the extent of the measures necessary to prevent over-fishing. If there is to be a compromise, it is likely that agreement on conservation will play a large part in it.

It is also likely that Britain will accept that the size of its catch will be gradually reduced, thus giving at least tacit recognition to Iceland's unilaterally declared 200-mile regime.

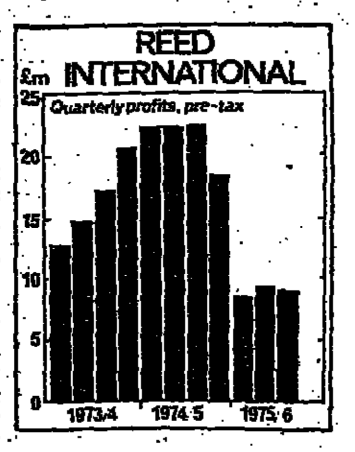
Britain is expected to declare its own 200-mile limit some time in the future, but not without waiting for the results of the International Conference on the Law of the Sea.

THE LEX COLUMN

Reed approaching the turn

Index fell 4.6 to 399.5

Reed International is still broadly on target. Third-quarter pre-tax profits (to December) are marginally down on the second three months, with an upturn at home and in Australia not quite enough to offset a sharp setback in North America. Strikes in Canada are going to have a "material" impact on the final quarter's figures. But Reed could still top £35m. this year, against £85.4m. in 1974-75, and the way remains open for a very useful earnings recovery in 1976-77.



For the nine months pre-interest profits are not quite halved at £44½m. despite a third quarter rise of close on a fifth to £7.6m. in the U.K. Reed does not believe U.K. profits will recover quickly: paper volume outside packaging remains very weak, while publishing has to bear redundancy costs, eating into this quarter's price rise at the Mirror. In North America, newsprint consumption in the U.S. was fractionally lower in November, but the downturn over the year to that month was nearer a tenth, and there are also signs of an improvement in paper products generally.

But all this—along with a rise in the price of U.S. newsprint, effective from March 1—belongs to next year. By then, Reed could be producing anything between £50m. and £70m. pre-tax, with the majority of observers plumping at this stage for the lower end of this range. Meantime, the shares yield a prospective 6.3 per cent. at 274p; and despite a sharp run-up since December a market capitalisation of £250m. is still 8 per cent. below its mid-May peak.

Oils

BP's half-year balance sheet (included in the prospectus for its latest North American funding) shows that its borrowing ratios only rose marginally during the first six months of 1975. And although capital spending was running at over 1½ times operating cash flow during the period, its financing programme now looks reasonably clear over the next year or two. Capital spending both this year and next is likely to run at around 1975's £850m. In 1976, the group will be taking up around £200m. of previously arranged Alaskan pipeline finance, and drawing the final £70m. of Forties Field finance. Cash flow, bolstered by the initial impact of the North Sea, should be well within sight of the rest of this year's requirements. So a rights issue still looks improbable.

Meanwhile, earnings trends for the last quarter among the U.S. international majors are now emerging and the picture is generally fair. Exxon, for instance, has shown a modest improvement on the third-quarter outturn, and Texaco would have done the same but for a provision of $81m. for the nationalisation of its Venezuelan interests. Mobil was also held back by extraordinary items, in this case relating to exploration write-offs.

Cedar Holdings

For the first six months of the current year ending next June Cedar Holdings—still dignified by the title "bankers"—has been trading profitably, but the report for 1974-75 contains little else that is encouraging. The "probable" losses foreshadowed in the reorganisation document last April turn out to be £1.83m. pre-tax, or £1.77m. after tax and extraordinary items: the latter include £575,000 agreed in respect of defects in title and allied matters following the block sale of properties to the institutions. At June 30 last Cedar's reconstructed balance-sheet showed a passable state of health, with £7.52m. of shareholders' funds against £43.3m. of borrowings. But the losses had wiped out all the asset backing for the Ordinary shares.

Progress is reported on repayment of the support loans from the institutions which fell from £54.6m. to £31.9m. during the year to June, rather more than half the cash being generated from property sales. A further drop to £22m. has been achieved subsequently. On the basis of 1974-75 cash receipts of under £10m. from instalment loan repayments, however, it could still take several years to clear the debt. Meanwhile the auditors Coopers and Lybrand are concerned about the proportion of accounts in arrears, though no figures are given. As for the re-listing of the shares, Cedar is still not promising any early date.

Davy Intl.

Davy International's profits are still rising sharply: the half-year pre-tax figure is £1.8m. up at £3.3m., and while this is only a partial guide for a group dependent on long-term contracts, Davy is talking about "appreciably higher" full-year profits. The main advance has been coming from the U.S. which only broke even last year following losses on the comple tion of a number of contract now out of the way. The eng neering and contracting divisic has in general been th strongest performer and i likely to increase its percentag of total profits above last year two-thirds share, while on th manufacturing side rollmakii profits are only likely to be m ginally better because of t steel recession. Overall, extern targets have been upgraded over £8m. pre-tax, against £5.9 in 1974-75.

The market for new orders less active than six months with a consequent impact margins, but Davy describes recent inflow as "satisfacto with a high forward workl at most companies. The to order book is now aro £700m., compared with £67 last July and £360m. in Marc 1974. This is supported by prob ably over £22m. of tangible net worth though working capital demands are, of course, negli ligible and risks have bee reduced by the large amount inflation protection in contra now. A capitalisation of £39 at 135p, however, seems well with immediate hopes—espe ally after a near doubling in t share price over the past months.

New blow to ship insurers

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE GLOOM which has settled over the London marine insurance market since the recent loss of the Berge Istra deepened yesterday with news that a brand-new $50m. Onassis group tanker, the Olympic Bravery, is badly damaged and stranded on rocks at Ushant, off the north-west coast of France.

Last night tugs were trying to float the 275,000 d.w.t. very large crude carrier off the rocks in an operation made hazardous by serious risks that the ship might sink or break up.

A total loss would involve Lloyd's and other London underwriters in their highest repayments ever, as more than 40 per cent., or about $23m., of the ship's insurance was placed in London.

The Olympic Bravery apparently drifted on to the Ushant rocks after her engines failed. She was en route for lay-up in Norway from her builders, the Chantiers de l'Atlantique shipyard at St. Nazaire.

According to Lloyds last night the ship was listing 18 degrees to port and had suffered damage to her starboard and centre tanks.

So soon after the loss of the Berge Istra, the Olympic Bravery's predicament highlights the problems of the London marine insurance market.

Payments amounting to more than $12m. will be made on the Berge Istra's loss in the next two to three days, at a time when London marine insurance companies are still assessing their losses on last year's operations.

Mr. Edmund Rainbow, who retired yesterday as chairman of the Institute of London Underwriters, said after the Institute's annual general meeting that the insurance companies hoped that the Olympic Bravery would not be a total loss. Nevertheless, damage to the vessel would mean claims "running into millions of pounds."

Mr. Rainbow told the meeting that the unprofitable state of the hull insurance market was causing "utmost concern."

Amplifying this afterwards, Mr. Rainbow said that premiums needed to be increased by about 15 per cent. to bring them into line with risks and increasing repair costs.

The tanker surplus—with more than 500 vessels laid up—meant an 80 per cent. reduction in premium for each idle ship and this was affecting the general spread of portfolios, Mr. Rainbow said.

But the 112 companies belonging to the institute were being prevented from charging realistic premiums by competition from foreign insurance centres which were undercutting to try to take business away from London.

Equity bank team meets again to-morrow

By Stewart Fleming

THE WORKING PARTY of institutional investors trying to agree draft proposals for the creation of a new "equity bank" which would invest directly in industry is to meet again to-morrow after an inconclusive meeting yesterday afternoon.

Although progress was made on a number of issues, it seems that the Working Party continues to be divided over what is being described as the "secondary role" of Equity Investments Limited (EIL) as the equity bank would probably be called.

At issue is how clearly the wording of the draft proposals should restrain executives of EIL from going out and seeking companies for the new bank to invest in.

Fears ill-founded

Behind the dispute are fears that EIL would begin actively to intervene in the affairs of companies in which it did not have, and was not planning to, make an investment, relying on the power of the institutional shareholders owning EIL.

This is role for which EIL is not being designed but is reminiscent of an earlier initiative by a Governor of the Bank of England, Lord O'Brien.

It seems, however, that other members of the Working Party feel the draft is clear enough on this point, and that the fears being expressed mis-interpret the draft and are therefore ill-founded.

Unless this dispute can be resolved, it is possible that either the project to establish EIL will be abandoned or it will go ahead without the explicit support of all the groups engaged in the talks.

It is being argued that a firm decision must, in any case, be taken shortly if the project is to proceed.

Decision soon

As a result of the views being expressed yesterday it now seems more likely that an ambitious figure for the authorised capital of EIL, such as the £500m. being mentioned, will not appear.

Fears among institutional investors that such a figure would be interpreted as a target appear to be making their mark on the working party's thinking.

It was also being suggested yesterday that proposals to raise the issued capital for EIL would make it clear that institutions who do subscribe to the company if it is set up will not be expected to make up any shortfall on a target figure which is not attained because of lack of support.

Editorial Comment Page 16

New cut in MLR appears possible

BY MICHAEL BLANDEN

A FURTHER cut in the Bank of England's minimum lending rate on Friday appeared possible yesterday as short-term interest rates fell further in the money markets.

In market dealings Treasury bills were trading at levels which if maintained at the weekly tender would bring MLR down by another ¼ per cent. to 10¾ per cent. This would be the third successive weekly fall in the rate and would bring the reduction since mid-November to 1¾ percentage points.

The further downtrend in market rates has come in spite of the shortages of funds in the markets in the last two days as a result partly of the flow of funds to the Exchequer during the tax-gathering season.

The Bank has already taken action to alleviate this problem by releasing about £325m. of special deposits temporarily to the banks.

There has been a feeling in the City that this relief might be allowed to continue beyond the February 10 date set for the banks to restore their special deposits with the Bank.

The authorities have continued to take an apparently neutral line towards the money markets, offering assistance to cover the shortages of funds.

The downtrend in U.S. interest rates which has been one of the most important factors in allowing U.K. rates to fall appears to have paused for the time being, with First National City Bank holding its prime rate at 6¾ per cent. on Friday in spite of a further drop in market rates in New York.

However, after the temporary upset caused to foreign exchange markets by the floating of the Italian lira, the pound has held fairly steady. Yesterday it closed at $2.0265 in quiet markets with its average depreciation from December, 1971, levels unchanged at 30 per cent.

Meanwhile, the gilt-edged market lost a little ground at the longer end after two busy days in spite of the easing of short-term interest rates. The Financial Times Government securities index slipped 0.22 to 65.61.

Midland Bank to close 40 branches

BY OUR LABOUR STAFF

THE MIDLAND Bank has told union leaders that it is to close 40 branches. The announcement, coming at the same time as a row about the bank's planned relocation of its headquarters in Sheffield, has increased union fears of "arbitrary" redundancies.

According to the National Union of Bank Employees, representing a third of the Midland's 35,000 staff, many of the branches to be closed are in "prosperous areas."

An earlier plan to close about 200 of the bank's 3,600 branches had been withdrawn after protests, Mr. Leif Mills, NUBE general secretary, said last night. The Midland confirmed the 40 closures yesterday, but said no proposals for redundancy had been made except in the context of the headquarters move.

It is this plan, involving the transfer of some 1,200 jobs in April, that has angered NUBE.

Mr. Mills said the bank had proposed redundancy terms, but given no idea how many staff would become redundant, who they would be, or included any provision for appeal by individuals.

The unions had been told that unless they agreed redundancy procedure quickly, the terms proposed would come into effect automatically.

NUBE is seeking another meeting with the management and Mr. Mills will shortly be meeting Lord Armstrong, Midland chairman, informally.

The redundancy proposals have also been put to the Association of Scientific, Technical and Managerial Staffs, which has some 5,000 members at the Midland.

Weather

U.K. TO-DAY

DRY AND BRIGHT at first, with cloud and rain extending eastwards to most parts during the day. Some heavy showers with sleet or snow on hills.

London, S.E. and East England, E. Anglia
Bright at first, becoming cloudy with rain later. Southerly moderate winds. Max. 4C (39F).

N.E. England, Borders, Edinburgh and Dundee
Bright at first, becoming cloudy with rain later. Southerly moderate winds. Max. 4C (39F).

South England, Midlands, Cent. N. England
Dry becoming cloudy later with rain. Max. 4C (39F).

Channel Isles, S.W. England, Wales
Cloudy, with rain becoming showery with some sunny intervals. Max. 7C (45F).

N.W. England, Lakes, Isle of Man, S.W. Scotland, N. Ireland
Cloudy, with rain, becoming showery with sunny intervals. Max. 5C (41F).

North Scotland, Orkney, Shetland, Highlands
Cloudy with rain, but sleet or snow on hills. Winds fresh to strong. Max. 3C (37F).

Outlook: Rain and bright intervals.

Lighting-up: London 17.10, Manchester 17.12, Glasgow 17.10, Belfast 17.22.

Snow reports Page 6

BUSINESS CENTRES

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Alexandria.	S	20	68	Madrid	F	6	43
Amstrdm.	F	8	46	Manchstr.	C	4	39
Athens	F	16	61	Melbourne	C	25	77
Bahrain	S	17	63	Mexico C.	S	17	63
Barcelona	F	7	45	Milan	S	3	37
Beirut	S	17	63	Montreal	R	-2	28
Belfast	F	2	36	Moscow	F	-7	19
Belgrade	Sn	-2	28	Munich	F	-3	27
Berlin	S	-4	25	Newcastle	C	4	39
Birmghm.	C	4	39	New York	R	12	54
Bristol	C	5	41	Oslo	F	-7	19
Brussels	C	1	34	Paris	F	3	37
Budapest	F	1	34	Perth	F	32	90
B. Aires	S	22	72	Prague	S	-3	27
Cairo	S	20	68	Reykjavik	C	1	34
Cardiff	C	5	41	Rio de J'o	S	33	91
Cologne	Sn	0	32	Rome	F	6	43
Copnhagn	C	-2	28	Singapore	S	31	88
Dublin	S	4	39	Stockholm	S	-8	18
Edinbgh	F	5	41	Strasb'rg	Sn	-2	28
Frankfurt	Sn	-2	28	Sydney	F	25	77
Geneva	C	-1	30	Tehran	S	12	54
Glasgow	S	5	41	Tel Aviv	S	23	73
Helsinki	Sn	-10	14	Tokyo	S	8	46
H. Kong	C	16	61	Toronto	C	-4	25
Jo'burg	R	20	68	Vienna	S	-3	27
Lisbon	C	9	48	Warsaw	C	-6	21
London	F	5	41	Zurich	C	-3	27
Luxembg.	Sn	-3	27				

HOLIDAY RESORTS

	Y'day mid-day	°C	°F		Y'day mid-day	°C	°F
Ajaccio	S	8	46	Jersey	S	7	45
Algiers	C	8	46	Las Plms.	C	13	55
Biarritz	C	9	48	Locarno	S	3	37
Blackpool	C	4	39	Majorca	S	8	46
Bordeaux	C	7	45	Malaga	S	10	50
Boulogne	F	4	39	Malta	R	10	50
Casablnca.	S	11	52	Nairobi	S	25	77
Cape Town	S	25	77	Naples	F	8	46
Corfu	T	13	55	Nassau	S	26	79
Dubrovnik	S	[illegible]	[illegible]	Nice	S	[illegible]	[illegible]
Faro	S	[illegible]	[illegible]	Oporto	C	[illegible]	[illegible]
Florence	C	[illegible]	[illegible]	Rhodes	[illegible]	[illegible]	[illegible]
Funchal	C	[illegible]	[illegible]	Salzburg	[illegible]	[illegible]	[illegible]
Gibraltar	C	[illegible]	[illegible]	Tangier	[illegible]	[illegible]	[illegible]
Guernsey	C	[illegible]	[illegible]	Tenerife	[illegible]	[illegible]	[illegible]
Innsbruck	F	[illegible]	[illegible]	Tunis	[illegible]	[illegible]	[illegible]
Inverness	C	[illegible]	[illegible]	Valencia	[illegible]	[illegible]	[illegible]
I. of Man	S	[illegible]	[illegible]	Venice	[illegible]	[illegible]	[illegible]
Istanbul	F	[illegible]	[illegible]				

S—Sunny. C—Cloudy. R—Rain. F—Fair. Sn—Snow. T—Thunder.

MPs may probe Crown Agents' grant

BY MARGARET REID

THE PUBLIC Accounts Committee, the MPs' "watchdog" body which scrutinises Government spending, is believed to be about to look at matters concerned with the £85m. state grant to the Crown Agents in late 1974.

The grant was to enable the Agents, who handle purchasing and investment for 90 overseas Governments, to fend off a threatened financial crisis and was provided through the Ministry for Overseas Development.

In his comment on the subject in his recent report to the PAC on the Appropriation Accounts of Government Departments, Sir David Pitblado, Comptroller and Auditor-General, noted that the payment of the £85m. grant lacked the required statutory authority. This was because of a procedural fault.

Indications are that the PAC, whose chairman is Mr. Edward du Cann, Conservative MP for Taunton, will direct its attention to the Agents' grant in one of the earliest inquiries it makes in the present Parliamentary session.

It is reasonable to expect that the Committee will look at the reasons for the grant and the previous extent of Ministers' supervision of the Agents, a semi-official body whose chiefs are appointed by the Government. Terms of the grant, arrangements for continuing Government supervision and adequacy of the grant in the light of future needs would also appear relevant matters.

There have been signs that, in due course, the Agents will need a further grant, perhaps of £75m., to correct the technical deficiency at the end of 1974, meet further losses since and provide capital for their expected long-term future as a public corporation.

The Agents' accounts are not laid before Parliament and so do not come within the direct purview of the PAC, though the accounts of Ministry for Overseas Development, which carried the grant, do. The Agents' 1974 accounts, with a lengthy accompanying report by Sir David Pitblado, are, however, available in the Library of the House of Commons to provide background to any inquiry.

There has been a greater tendency recently for the PAC to separate its own reports more among individual subjects. Since it is to consider the Agents' grant very soon, any report it issues on the matter could well appear early, perhaps before Easter.

It is thought that the PAC will also shortly publish a report on Excess Votes, which validate additional Government expenditure.

This would be likely to cover the technical error over the issue of the Agents' grant and the wider topic of a £165m. bookkeeping mistake under which certain sums were appropriated by Government Departments and spent in 1974-75 in excess of what had been covered by Parliamentary Votes.

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